

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



APPROVED 2012/2013 ANNUAL REPORT

TABLE OF CONTENTS

| | |
|---|--|
| Acronyms | |
| CHAPTER 1: Mayor’s foreword and executive summary | |
| Component A: Mayor’s foreword | |
| Component B: Executive summary | |
| 1.1 Municipal Manager’s overview | |
| 1.2 Municipal functions, population and environmental overview | |
| 1.3 Service delivery overview | |
| 1.4 Financial health overview | |
| 1.5 Organizational development overview | |
| 1.6 Auditor General Report | |
| 1.7 Statutory annual report process | |
| CHAPTER 2: Governance | |
| Component A: Political and administrative governance | |
| 2.1 Political governance | |
| 2.2 Administrative governance | |
| Component B: Intergovernmental relations | |
| 2.3 Intergovernmental Relations | |
| Component C: Public accountability and participation | |
| 2.4 Overview of public accountability and participation | |
| 2.5 Public meetings | |
| 2.6 IDP participation and alignment | |
| 2.7 Risk management | |
| 2.8 Supply chain management | |
| 2.9 Website | |
| 2.10 Audit committee | |
| CHAPTER 3 : Service delivery performance | |
| 3.1 Electricity | |
| 3.2 Waste Management | |
| 3.3 Free basic services and indigent support | |
| Component B: Roads transport | |
| 3.4 Transport overview | |
| 3.5 Roads | |
| Component C: Planning and Development | |
| 3.6 Local economic development | |
| Component D: Community and Social Services | |
| 3.7 Libraries | |
| 3.8 Cemeteries | |
| 3.9 Safety and Security | |
| Component I: Corporate policy offices and other services | |
| 3.10 Human resources | |
| 3.11 Information Technology | |
| 3.12 Legal | |
| CHAPTER 4: Organizational Development Performance | |

| | |
|---|--|
| Acronyms | |
| Component A: Introduction to the municipal personnel | |
| 4.1 Employee totals, turnover and vacancies | |
| Component B: Managing the municipal workforce | |
| 4.2 policies | |
| 4.3 Injuries, sickness and suspension | |
| 4.4 Performance management | |
| Component C: Capacitating the municipal workforce | |
| 4.5 Skills development and training | |
| Component D: Managing the workforce expenditure | |
| 4.6 Employee expenditure | |
| 4.7 Disclosure of financial interest | |
| CHAPTER 5 : FINANCIAL PERFORMANCE | |
| Component A: statement of financial performance | |
| 5.1 Statement of financial performance | |
| 5.2 Grants | |
| 5.3 Assets management | |
| 5.4 Financial ratios | |
| Component B: Spending against capital budget | |
| 5.5 Capital Expenditure | |
| 5.6 Sources of finance | |
| 5.7 Capital spending on 5 largest projects | |
| 5.8 Basic service and infrastructure backlogs | |
| Component C: Cash flow management and investments | |
| 5.9 Cash flow | |
| 5.10 Borrowing and investment | |
| 5.11 Public private partnership | |
| Component D: Other financial matters | |
| 5.12 Supply chain management | |
| 5.13 GRAP compliance | |
| CHAPTER 6: Auditor General Report 2012/2013 | |
| Auditor General's report | |
| APPENDICES | |
| | |

ACRONYMS

| | |
|---------|---|
| EMLM | :Elias Motsoaledi Local Municipality |
| ANC | :African National Congress |
| APC | :African People's Convention |
| AZAPO | :Azanian People's Organisation |
| COGHSTA | :Department of Corporative Governance, Human Settlement and Traditional Affairs |
| COGTA | :Department of Corporative Governance and Traditional Affairs |
| COPE | :Congress of the People |
| DA | :Democratic Alliance |
| EXCO | :Executive Committee |
| FBE | :Free Basic Electricity |
| IDP | :Integrated Development Plan |
| LED | :Local Economic Development |
| LIBSA | :Limpopo Business Support Agency |
| LLF | :Local Labour Forum |
| MIG | :Municipal Infrastructure Grant |
| MP | :Mpumalanga Party |
| PAC | :Pan African Congress |
| SDBIP | :Service Delivery and Budget Implementation Plan |
| PMS | :performance management system |
| MPAC | :Municipal public account committee |
| SDM | :Sekhukhune District Municipality |
| SEDA | :Small Enterprise Development Agency |
| SMME | :Small, Medium and Micro Enterprises |
| UIF | :United Independent Front |
| WSP | :Work Skill Plan |
| KM | :kilometre |
| ESS | :Employee self service |
| ICT | :Information Communication Technology |
| OHS | :Occupational health and safety |
| Cllr | :Councilor |
| AFS | :Annual financial statements |
| CDW | :Community development worker |
| CFO | :Chief financial officer |
| CLLR | :Councilor |

| | |
|------|--|
| EPWP | :Expanded works programme |
| FBE | :Free basic electricity |
| SCM | :Supply chain management |
| AG | : Auditor General |
| GRAP | : General Recognised Accounting Practice |
| HR | :Human resources |
| MFMA | :Municipal Finance Management Act |
| MSA | :Municipal Systems Act |

VISION

A better life for all through service excellence

MISSION

The Elias Motsoaledi Local Municipality is committed to:

- Provide democratic and accountable governance for local communities
- Ensure provision of services to communities in a sustainable manner.
- Promote social and economic development

CHAPTER 1
MAYOR'S FOREWORD
AND EXECUTIVE
SUMMARY

COMPONENT A : MAYOR'S FOREWORD



a. Vision

It is a pleasure for me to present Elias Motsoaledi Local Municipality 2012/2013 draft Annual Report to our residents and other interested parties. The 2012/2013 annual report gives a detailed review of the municipality's activities on actual performance at the end of the fiscal year reporting on how the IDP and budget were implemented. It also describes the work of the municipality in fulfilling its Constitutional mandate and in meeting its obligations as dictated by the applicable local government legislation. Despite the effects of the economic difficult times, the municipality continued to provide quality service delivery to our community and we completed numerous capital projects in a drive towards achieving the Municipal **Vision:**

“A BETTER LIFE FOR ALL THROUGH SERVICE EXCELLENCE”

With our mission being:

- Provide democratic and accountable government for local communities,
- Ensure provision of services to communities in a sustainable manner,
- Promote social and economic development.

b. Key Policy Developments

Elias Motsoaledi Local Municipality being identified as the Provincial growth, the municipality has then aligned its developmental strategies to that of the provincial growth and development strategy. The Municipality's performance will be measured by satisfying its key developmental objectives which are as follows:

- Ensuring sustainable and qualitative service delivery
- Improve Local Economy through revised LED strategy
- To achieve an unqualified audit opinion by the Auditor General
- Facilitate and regularly update the indigent register to be accurate
- To ensure that monies owed to the municipality is collected

- Continue to participate in programmes of HIV and AIDS, TB, Cancer through Local Aids Forum
- Improving Records Management System in terms of NARSA Act
- Ensuring that we employ and assist people with disabilities.
- To continue conducting Public Participation and ensure the functionality of all governance structures for accountability.
- Fast tracking the implementation of infrastructure projects
- Strengthen the relationship with the traditional leaders
- Creating job opportunities through the implementation of the EPWP

c. Key Service Delivery Improvements

During the year under review municipality achieved its objective of increasing number of households with access to waste removal as the service was extended to Elandsdooring Township, Tambo Square Township and Walter Sisulu Township. The extension increases the number of households with access waste removal from 9331 to 9584. Municipality has 02 licensed landfill site in Groblersdal and Roosenekal and one transfer station in Hlogotlou.

Municipality assisted 37 students with bursaries to pay for their registration fees only to the amount of R121 590.00.

Game centre mall in Groblersdal town was opened and created jobs within our municipality. 371 jobs were created through EPWP projects and 17 permanent jobs were created through LED initiatives in Roosenekaal through social and labour projects initiated by Mapochs mine. Municipality hosted 03 flea markets in Moutse mall where local SMME'S exhibited their product for marketing.

Municipality started the financial year 2012/2013 with a huge deficit where council resolved that management cut off their operating expenditure with 3.5% to cap the deficit. At the beginning of the financial year the adopted IDP has 09 capital projects for roads which 04 were MIG funded and the other 05 were municipal funded. Due to the financial crisis, 05 roads projects were removed during mid-year as municipality did not have funds to construct those roads. By the end of the financial year Municipality completed all 04 MIG funded roads consisting of 21.3km. 2,5km of road designs were completed and 230m² of road were regravelled. Municipality has achieved 100% of MIG spending.

The total budget of municipality was R278.8 million. Municipality succeeded in saving cost to the value of 36.6 million at the end of the financial year as the results of resolution taken by council to cut on the operational expenditure. At the end of the financial year the total operational expenditure was R184.8 million. municipality has achieved 54.31% of the set

objectives in the IDP as compared to 53.25% achievement during the financial year 2011/2012. We are looking forward into improving the service delivery in the financial year 2013/2014 in order to achieve 100% of the objectives as set in the IDP. The improvement can be achievable through the commitment of all staff members. The table below indicates the overall performance for the municipality for the financial year 2012/2013.

| number | Key performance area | number of KPI's achieved | number of KPI's not achieved | Performance percentage per KPA |
|--------|--|--------------------------|------------------------------|--------------------------------|
| 1. | Spatial Planning | 0 | 06 | 0% |
| 2. | Municipal transformation and institutional development | 15 | 15 | 50% |
| 3. | Local economic development | 02 | 01 | 67% |
| 4. | Infrastructure and basic service delivery | 26 | 15 | 63% |
| 5. | Financial viability and management | 12 | 06 | 67% |
| 6. | Good governance and public participation | 08 | 10 | 44% |
| | TOTAL | 63 | 53 | 54.31% |

d. Public Participation

Municipality keeps community informed about the performance and challenges of municipality through public participation. Municipality conducted 30 public participation sessions through IDP process where communities were given an opportunity to raise their needs to be incorporated in the IDP. Not all needs were raised were incorporated in the IDP, only prioritized and budgeted needs were incorporated in the IDP. There is a need for improvement in conducting public participation sessions so that they can be conducted every quarter to inform community members about the progress of the implementation of the IDP and the budget of the municipality.

e. Future Actions

Municipality will proceed with the strategy used in the financial year 2012/2013 of saving on operational expenditure until the municipality is able to sustain itself financially to reduce the high reliance on grants. With the cutting of operational expenditure municipality will be able to

improve service delivery through with its own funding projects. Even though the municipality has achieved its core mandates and succeeded in sustaining the qualified audit opinion, we are aware that there are still service delivery challenges that lies ahead and we are working together in mitigating the challenges through:

- Appoint the service providers for capital projects timely for implementation of projects to avoid the rollovers.
- Filling of key strategic funded positions within the required time.
- To implements the retention policy in order to retain employees with scarce skills
- Implement the revenue enhancement strategy
- To empower and support the Co-operatives within our area

f. Agreements / Partnerships

There are no major partnerships that the Municipality has entered into. The Municipality has signed a lease agreement with Buffalo beach leasing 47 hectares of the Municipality to Buffalo Beach Entertainment for water park and water sports.

g. audit opinion

Municipality has obtained qualified audit opinion which is the same audit opinion as 2011/2012 financial year. The 11 audit findings for the financial year 2011/2012 were reduced to 07 in the financial year 2012/2013. The reduction its an improvement and we looking forward into reducing the 07 findings to 0 findings in the next financial. We hope and believe that during 2013/2014 we will improve towards clean audit opinion.

h. Conclusion

I wish to thank all councillors, staff, residents, stakeholders in particular rate payers for their contributions to pay for services .Together we strive to take our municipality from strength to strength.

W.M MATEMANE
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW



This report records the progress made by the Municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan. It also reflects on challenges and priorities for the 2012/13 financial year. Chapter 12 of MFMA Section 121 (1) stipulates that every municipality must for each financial year prepare an annual report in accordance with this Chapter. EMLM has compiled the annual report to comply with legislation to give members of community and all stakeholders the performance of the municipality as to how the IDP and budget was implemented. Our budget spending pattern was improved with a record breaking of 100% MIG spending as well as improved revenue collection through broadening of our tax base. The total budget of municipality was R278.8 million. Municipality succeeded in saving costs to the value of R36.3 million at the end of the financial year as the result taken by council to cut on the operational expenditure. At the end of the financial year the total operational expenditure was R184.8 million. We would like to applaud the revenue service for the increase in revenue collected hence our cash flow crisis was improved from deficit to surplus.

The municipal council took a bold decision that operating expenditure for 2012/2013 financial year be cut by at least 3.5% to address the deficit challenges we had at the beginning of the financial year, indeed the decision yielded results hence the cash flow problem was overcome by the first semester of the year. The infrastructure department was still doing us proud by maintaining their good MIG Expenditure pattern but they still need to improve on road maintenance.. The municipality has got a credible IDP and well-crafted SDBIP, the challenge is to attract investors through our IDP document and its implementation.

The municipality has successfully established internal audit unit and risk management unit for the first time to strengthen internal controls and minimise corruption and fraud in the municipality. During its first year of establishment, internal audit personnel developed the internal audit plan, internal audit charter and audit committee charter which were approved

by audit committee. Risk management unit developed the strategic and operational risk register which was also approved by audit committee. EMLM has Audit Committee and Municipal Public Accounts committee (MPAC) in place. The establishment of Audit committee and Municipal Public Accounts Committee has strengthened internal control through their oversight role. For the year under review audit committee held 04 ordinary meetings and 06 special meetings. The 06 special meetings were due to the fact that it was the first time municipality had audit committee in place therefore there was lot of challenges that needed to be addressed and by the end of the financial year the municipality was on right track. That is one factor that contributed to sustaining the qualified audit opinion. Municipality started the financial year with 04 vacancies for section 56 managers and managed to fill 02 vacancies, the one for Director Infrastructure and Chief Financial Officer. The fulfilment of the two posts had a major impact on the improvement of service delivery and performance of the municipality.

At the end of the financial year there were two vacancies for senior managers (planning and corporate department), which imposed functional challenges in those respective departments. We commit that both vacancies shall be filled by first semester of 2013/2014 financial year. All Senior Managers concluded their performance agreements and quarterly performance reviews were conducted thereby allowing the preparation of quarterly reports to detect non-performance of the set targets. Municipality conducted 2011/2012 individual annual appraisals to evaluate the performance of senior managers to determine if whether they qualify for performance bonuses. No performance bonuses were paid to senior managers as no one qualified to be paid. During the financial year under review 2012/2013 individual midyear appraisals were conducted as a process to detect early warnings for non-performance and come up with corrective measures to rectify the non performance.

The municipality developed an audit action plan to address 2011/2012 issues raised by Auditor General. The issues raised were decreased from 11 to 7. The municipality went further by developing departmental action plan to address even those issues that were raised on management letter as matters of emphasis. The municipality sustained a qualified audit opinion for the financial 2012/2013 which is the same opinion as the one for financial year 2011/2012.

The municipality dependency rate on grants is high hence we are envisaging that 20% of capital budget be allocated to cost recovery projects for the municipality to be self-sustainable. We hope and believe that more jobs will be created than the 371 jobs created through EPWP. Lastly we would like to thank the Audit Committee, Internal Audit, MPAC, Councillors, Staff and the Mayor for the contribution towards striving for clean administration

M.M SKOSANA

MUNICIPAL MANAGER

1.2 MUNICIPAL , FUNCTIONS, POLULATION AND ENVIROMENTAL OVERVIEW

Elias Motsoaledi Local Municipality is situated in Groblersdal in Limpopo province. The municipality is in North East of Pretoria and is situated approximated 32 km from Loskop Dam, 100 km north of Bronkhorstspuit, 80 km northwest of Witbank (Emalahleni), and 25 km south of Marble Hall. Accessibility is mainly via the R25 road, which links the area with Oliver Tambo International Airport in Johannesburg; and via the N11 with Witbank. Both R25 and N11 provide good accessibility to the municipality.

Elias Motsoaledi Local Municipality (EMLM) is the second largest Municipality within Sekhukhune District Municipality (SDM). Elias Motsoaledi Local Municipality is one of the five Municipalities forming the Sekhukhune District which is the second poorest District among South Africa's 13 normal points identified as poor and requiring careful developmental measures. The Municipality comprises of an estimated 62 settlements most of which are villages R293 areas and the Groblersdal Town. EMLM is located in Limpopo and consists of 30 Wards and 60 Councillor's.

Elias Motsoaledi is a category B municipality established to perform the following functions:

Table 1

| Schedule 4 Part B | Schedule 5 Part B |
|---|--|
| <ul style="list-style-type: none"> ● Air pollution ● Building regulations ● Child care facilities ● Electricity and gas reticulation ● Firefighting services ● Local tourism ● Municipal planning ● Municipal health services ● Municipal public transport ● Municipal public works ● Pontoons, ferries, jetties, piers and harbours, ● Storm-water management systems in built-up areas ● Trading regulations | <ul style="list-style-type: none"> ● Billboards and the display of advertisements in public places ● Cemeteries, funeral parlours and crematoria ● Cleansing ● Control of public nuisances ● Control of undertakings that sell liquor to the public ● Facilities for the accommodation, care and burial of animals ● Fencing and fences ● Local sport facilities ● Municipal parks and recreation ● Municipal road ● Public places ● Refuse removal, refuse dumps and solid waste disposal ● Street trading ● Street lighting ● Traffic and parking |

1.2.1 Population group

The majority of people in EMLM are Africans while there are other groups like whites, coloured, Indians and Asian people.

Table 2 natural resources within EMLM

| Natural Resources | |
|------------------------|---------------------------------------|
| Major Natural Resource | Relevance to Community |
| Minerals | Economic empowerment and job creation |
| River/Dam | Water sources |
| Caves | Tourist attraction (Roossenekal) |
| Arable Land | For agriculture |

1.3 SERVICE DELIVERY OVERVIEW

The core business of EMLM is roads, electricity and waste removal. Water and sanitation is provided by Sekhukhune District Municipality, and electricity is provided by Eskom in 28 wards. The housing function is provided by the Department of Housing. The reliance on other services from other sectors, and from the District, causes a backlog in terms of service delivery in our municipality. Currently the municipality has 57% backlog for water services and 84% in sanitation. EMLM is licensed to provide electricity only in Roossenekal and Groblersdal. Other wards are an Eskom-licensed area.

47473 households have access to basic electricity and 800 households receive free basic electricity. Approximately 96% of the municipality has access to electricity. Municipality has extended the service for waste removal to Elandsdoorn Township which increases the number of households accessing waste removal from 9331 to 9584. 10 skips were purchased and placed at strategic areas in rural villages to decrease the number of illegal dumping. 01 skip loader truck was purchased to ensure that skips are always maintained on a weekly basis. 8.25 km of roads to the value of R35,223, 000 00 were constructed and completed, therefore there were no rolled over projects from financial year 2012/2013. MIG funds were all spent by the end of the financial year.

1.4 FINANCIAL HEALTH OVERVIEW

Municipality started the financial year 2012/2013 with a very huge deficit and approximately R50 million of unauthorized expenditure, this was due to over spending of the budget. The most contributing factor to the deficit incurred by municipality was non-payment of services. At the beginning of the year council resolved that Municipality must reduce the operating expenditure by 3,5% to cap the deficit and to further improve the cash flow. For the implementation of the council resolution of reducing operating expenditure, management agreed that each department must save 3.5% of its expenditure budget and that was adhered to as at the end of the financial year municipality saved R 36.6 million.

1.4.1 BUDGET AND REVENUE COLLECTION

EMLM is a rural municipality with high volume of the outstanding consumer debts. This lead to financial burdened with non-payment for services. Municipality has developed the Revenue Enhancement Strategy to address this challenge and also appointed a debt collector to assist in the process of debt collection. The outstanding debt affects the cash-flow status of the municipality.

Municipality budgeted R278.8 million for the financial year 2012/2013 of which R 249.4 million has been collected vs. the projected income of R278.8 million. This reflects the difference of R 29.4 million less between the projected income and the collected revenue. All grants and subsidies were received and they contribute a major portion of the total revenue which amounts to R 168.0 million. R 129.5 million is an unconditional grant and R 38.5 million is conditional grant.

During budget adjustment there was no increase or decrease in total revenue. The total revenue billed on service charges i.e. (property rates, electricity and refuse removal) amounted to R 85.5 million and the actual revenue collected was R 57.3 million which indicates an under collection of R 28.2 million. Rental of facilities, interest on investment and on outstanding debts contribute an insignificant percentage in the total revenue of the municipality which is 1.06% of the revenue collected. Motor vehicle licenses and fines contribute R6.4 million of the total revenue collected. Municipality faces a huge challenge of grant dependence.

1.4.2 EXPENDITURE

Municipality has succeeded in saving cost by cutting on operational expenditure by R 36.6 million out of R 221.4 million budgeted for operational expenditure. At the end of the financial year municipality's total operation expenditure was R 184.8 million. The employee cost consists of 33.4% of the expenditure. Municipality saved R37.2 million in operating expenditure.

Table 3: is the financial overview.

| Financial Overview – 2012/2013 | | | |
|---------------------------------------|------------------------|--------------------------|---------------|
| R'000 | | | |
| Details | Original Budget | Adjustment Budget | Actual |
| Income | | | |
| Grants | 168,079 | 168,079 | 168,079 |
| Taxes, levies and tariffs | 94,292 | 96,792 | 96,590 |
| Other | 16,474 | 13,974 | 50,919 |
| Sub-Total | 278,845 | 278,845 | 315,588 |
| Less Expenditure | 221,433 | 221,433 | 184,684 |
| Net Total* | 57,412 | 57,412 | 130,904 |

Table 4: operating ratios

| Operating Ratios | |
|--------------------------------|----------|
| Detail | % |
| Employee Costs | 33 |
| Repairs & Maintenance | 2 |
| Finance Charges & Depreciation | 14 |

Table 5: total capital expenditure

| Total Capital Expenditure (R'000) | | |
|--|----------------|----------------|
| Detail | 2011/12 | 2012/13 |
| Original Budget | 109136 | 57,412 |
| Adjustment Budget | 99811 | 57,412 |
| Actual | 103083 | 47,355 |

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 HUMAN RESOURCES OVERVIEW

Human resource services for the municipality are effective and efficient, and meet the expectations of the community at large. Municipality had 265 employees and 23 terminations. Out of 23 terminations, 15 left the institution and 08 resigned from their former positions and applied for better position within the municipality. 22 vacant post were filled including 05 critical posts (Director infrastructure, CFO, internal auditor, Risk officer, Chief risk officer) Municipality retained 01 employee (Electrical Engineer) as there was a need for the skill that he possesses.

Table 6:

| | |
|------------------------------|-----|
| total post on the organogram | 364 |
| total number of employees | 265 |
| total number of vacancies | 99 |
| terminations | 23 |
| retirements | 4 |
| resignation | 6 |
| death | 4 |
| contract ended | 1 |
| retention | 1 |

Human resources is responsible for the following service delivery priorities:

- Attracting a skilled workforce
- Ensuring that the workforce is motivated to perform the required tasks
- Continuous capacity building of personnel
- The municipality has succeeded in retaining 98% of the workforce

Table 7: approved and reviewed policies

| NO. | POLICY NAME | approved | reviewed | RESOLUTION NUMBER |
|-----|---|----------|----------|-------------------|
| 1. | draft traditional leader's framework | ✓ | | M12/66 |
| 2. | draft information technology patch policy | ✓ | | C12/77 |
| 3. | Draft email and internet policy | ✓ | | C12/78 |
| 4. | ICT disaster recovery policy | ✓ | | C12/79 |
| 5. | IT governance framework | ✓ | | C12/80 |
| 6. | amended employees cellphone | | ✓ | C12/72 |

| NO. | POLICY NAME | approved | reviewed | RESOLUTION NUMBER |
|-----|---|----------|----------|-------------------|
| | allowance policy | | | |
| 7. | Draft geographical names committee policy | ✓ | | C12/75 |

1.5.2 COMMITTEES

The following committees were established in strengthening human resource management:

- Training committee
- OHS committee
- Remuneration committee
- Local labour forum.

1.5.3 BURSARIES

EMLM assisted 37 students with registration fees at registered institutions to the value of R121 590.00 which is an increase from R98 601.00 paid during the financial year 2011/2012 for 40 students. Preference was given to students from poor family backgrounds. The following are the adjudication committee member who adjudicates applications as per approved policy.

- Chairperson for community services department
- Exco member for finance department
- Exco member for corporate services department
- Director community services
- Human resource department

1.5.4 WORKPLACE SKILLS PLAN (WSP)

Municipality has developed the WSP for the year under review and it was submitted to LGSETA by June 2013. Municipality received R 299 571.61 mandatory grants in the form of rebates from the LGSETA.

1.6 AUDITOR GENERAL REPORT

Municipality obtained a qualified audit opinion for the first time during financial year 2011/2012 which is a huge achievement and sustained the same opinion for the financial year 2012/2013. we are looking forward in achieving clean audit by 2014. Basis for qualification are as follows:

- Investment property
- Property plants and equipment
- Intangible assets

- Irregular expenditure
- Aggregation of immaterial uncorrected misstatements
- Contingent assets
- Value added tax (VAT)

1.7 STATUTORY ANNUAL REPORT PROCESS

Table 8 statutory annual report process

| No | Activity | Timeframe |
|----|---|---------------------|
| 1 | Consideration of next financial year's budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats, to ensure that reporting and monitoring feeds seamlessly into the annual report process at the end of the budget/IDP implementation period | July |
| 2 | Implementation and monitoring of the approved budget and IDP commences (in-year financial reporting) | |
| 3 | Finalise 4 th 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 the consolidated annual financial statements and the performance report, to the 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 the 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 the 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 the next financial year. Annual report and oversight reports to be used as input. | January |

It is important to achieve the above-mentioned deadlines, as it helps to have enough information by the end of the financial year to be able to start with preparing the draft annual report: much information will be available. It is also a compliance issue to meet the deadlines, as non-compliance will result in a negative audit opinion for the municipality. Meeting deadlines also assists with receiving feedback, comments and inputs from relevant stakeholders, and helps with rectifying mistakes whilst learning good practice at the same time.

The alignment of IDP, budget and the performance system is important, as the three documents are the strategic documents of the municipality. They serve as a guiding tool to determine whether the municipality is working towards achieving its set goals and objectives, while using the budget in the correct manner, so as to avoid wasting public funds. This is done through the performance management, where there will be quarterly reporting about the performance of the municipality and whether the budget is still aligned to the set objectives, or if it is being spent on something that is not helping achieve set objectives and goals. Performance management helps to give an early indication of non-performance, and allows for the taking of corrective measures as soon as possible.

CHAPTER 2

GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 Political governance

The council and administration of municipality are responsible for decision making and implementation of decision taken collectively. The mayor of the municipality is the political head who provides guidance over the fiscal and financial affairs of the municipality. 10 committees were established as follows:

- Executive Committee
- Municipal Public Accounts Committee
- Programming committee
- Corporate services Section 79 committee
- Infrastructure services section 79 committee
- Financial services section 79 committee
- Community Services section 79 committee
- Development planning section 79 committee
- Strategic Management section 79 committee
- Oversight committee

At the beginning of the financial year 2012/2013, municipality had 60 councillors and during the course of the year one Councillor (Cllr Somo S.O) passed away which reduces the number of councillors to 59 and the number of party representatives to 29 by the end of the financial year. The death of councillor Somo left a vacancy in the political party of DA which was not filled by the end of the financial year. The council comprises of 6 political parties namely: ANC, DA, COPE, AZAPO, MP and APC. 29 Councillors are party representatives and 30 are ward Councillors.

In order to enhance good governance and accountability, Municipality adopted separation of powers model which separated legislative arm from executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit EMLM communities Council has established section 79 committees to play oversight role and monitor the work of the executive and administration. The established Committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors. The Mayor is the political head of the Institution and the Speaker is the head of council. MPAC committee is also in place and performs its duties as per approved annual work programme.

For the year under review council referred 01 case of irregular expenditure to MPAC committee for investigations and the case was closed and referred back to council for final decision. Municipality has MPAC and Oversight committee in place due to the fact that initially only oversight committee was established and later MPAC was established and the Oversight committee was not dissolved to date.

Municipality has 53 part-time Councillors and seven full-time Councillors. There is a good relationship between councillors as they work cooperatively to achieve the set goals of the municipality. All councillors participate in various committees established in the municipality, and attendance of council meeting is always good as no council meeting was postponed due to absence of quorum. For the year under review council held 3 ordinary council meeting and 14 special council meeting where 332 council resolutions were taken.

Table 2.1.1 reflect number of meetings took place during the year under review:

| Name of Meeting | Annual Target | Number of meetings convened and materialised |
|--|----------------------|---|
| Departmental portfolio committees | | |
| Corporate Services | 11 | 4 |
| Strategic Department | 11 | 2 |
| Finance Department | 11 | 5 |
| Infrastructure Department | 11 | 5 |
| Development Planning | 11 | 6 |
| Community Services | 11 | 7 |
| Labour Forum | 11 | 6 |
| Political committees | | |
| EXCO | 12 | 10 |
| Special EXCO | 0 | 15 |
| Council | 4 | 3 |
| Special Council | 0 | 14 |
| Oversight Committee | 0 | 1 |
| Programming | 12 | 10 |
| MPAC | 0 | 3 |
| SCM committees | | |
| Specification | 0 | 11 |
| Evaluation | 0 | 15 |
| Adjudication | 0 | 14 |

Table 2.1.2 : Information for EMLM Councillors

| Surname and Initials | Committee(s) | Party | Ward no./ PR | Contact number | Gender |
|----------------------------------|---------------------|--------------|---------------------|-----------------------|---------------|
| Cllr Alberts, R | EXCO | DA | PR | 082 332 3180 | male |
| Cllr Buta, M.Z. | | ANC | Ward 16 | 082 526 3304 | male |
| Cllr Kabinie, R.S.A. | | ANC | PR | 082 525 6299 | female |
| Cllr Kotze, J.P. | | DA | Ward 13 | 082 332 2973 | male |
| Cllr Lepota, T.J. | | ANC | WARD 4 | 082 525 4213 | male |
| Cllr Madihlaba, M.F. | Exco | ANC | PR | 082 526 3996 | male |
| Cllr Maepa, M.M. | | AZAPO | PR | 082 332 3179 | male |
| Cllr Mahlangu, A.B. | Exco | ANC | PR | 082 333 5092 | female |
| Cllr Mahlangu, Julia | | ANC | WARD 19 | 082 525 4889 | female |
| Cllr Mahlangu, M.D. | | ANC | WARD 3 | 082 525 4748 | male |
| Cllr Mahlangu, N.N. | | ANC | WARD 23 | 082 525 4998 | female |
| Cllr Mahlangu, T.S. | Exco | ANC | PR | 082 495 1407 | female |
| Cllr Mahlase, K.S. | | ANC | WARD 1 | 082 525 4289 | male |
| Cllr Malatji, M.N. | | ANC | PR | 082 332 8294 | female |
| Cllr Malekane, M.S. | | ANC | WARD 30 | 082 525 4059 | male |
| Cllr Maloba, A.M. | | MP | WARD 11 | 082 525 4299 | male |
| Cllr Mamaila, D.S. | Exco | ANC | PR | 082 495 0946 | female |
| Cllr Marapi, M.S. | | ANC | WARD 9 | 082 525 4170 | male |
| Cllr Maselela, M.S. | | MP | PR | 082 525 4649 | male |
| Cllr Masemola, E.M. (SPEAKER) | | ANC | PR | 082 333 7672 | male |
| Cllr Mashifane, H.S. | | ANC | WARD 15 | 082 526 0440 | male |
| Cllr Mashilo, M.S. | | ANC | WARD 25 | 082 495 1194 | female |
| Cllr Matemane, W.M. (MAYOR) | Exco | ANC | PR | 082 495 0486 | female |
| Cllr Mathale, S.M. | | ANC | PR | 082 526 4077 | male |
| Cllr Mathebe, J.L. | | ANC | PR | 082 525 4688 | female |
| Cllr Matjomane, G.D. | | ANC | PR | 082 525 4163 | female |
| Cllr Matlala, M.S. | | ANC | WARD 20 | 082 525 4388 | male |
| Cllr Matsepe, C.D. | | DA | PR | 082 370 4233 | male |
| Cllr Matsepe, T.S. | | ANC | PR | 082 412 7879 | female |
| Cllr Matshipa, M.P. | | ANC | WARD 18 | 082 525 4067 | male |
| Cllr Matsomane, S.T. | | COPE | PR | 082 526 4089 | female |
| Cllr Mehlape, S.H. | | ANC | WARD 14 | 082 525 4056 | female |
| Cllr Mhlanga, C.T. | | MP | WARD 6 | 082 333 9115 | male |
| Cllr Mkhali, I | | APC | PR | 082 525 4948 | male |
| Cllr Mmutle, T.N. | | ANC | WARD 5 | 082 525 4223 | male |
| Cllr Moganedi, V.V. | | MP | PR | 082 526 4048 | female |
| Cllr Mogotji, F.M. | Exco | MP | WARD 10 | 082 525 4264 | male |
| Cllr Mohlala, M.J. | | ANC | WARD 27 | 082 559 7302 | male |
| Cllr Mokgabudi, M.P. | Exco | ANC | PR | 082 495 0793 | male |
| Cllr Mokganyetji, M.T. | | ANC | WARD 24 | 082 525 9797 | male |
| Cllr Mokone, M.P. | | MP | PR | 082 525 4578 | male |

| Surname and Initials | Committee(s) | Party | Ward no./ PR | Contact number | Gender |
|-------------------------------------|--------------|-------|--------------|----------------|--------|
| Cllr Molekwa, M. Freda | | MP | PR | 082 332 5081 | female |
| Cllr Motau, O.E. | | MP | PR | 082 525 4267 | male |
| Cllr Motlafe, M.G. | | ANC | WARD 26 | 082 525 4508 | female |
| Cllr Mzinyane, D.M. | | ANC | WARD 8 | 082 527 0668 | male |
| Cllr Nduli, M.E. | | ANC | WARD 21 | 082 525 4140 | male |
| Cllr Nkosi, S.F. | | ANC | WARD 29 | 082 5264062 | male |
| Cllr Ntuli, T.J. | | MP | PR | 082 526 4070 | male |
| CllrPhahlamohlaka, T.M.(CHIEF WHIP) | | ANC | PR | 082 525 4154 | male |
| Cllr Phala, M.L. | | ANC | WARD 7 | 082 526 3982 | male |
| Cllr Phatlane, A. | | ANC | WARD 2 | 082 525 4074 | male |
| Cllr Podile, R.J. | | MP | WARD 12 | 082 526 4055 | male |
| Cllr Ramphisa, M.W. | | MP | PR | 082 525 4215 | male |
| Cllr Skosana, J.J. | Exco | MP | PR | 082 525 5324 | male |
| Cllr Skosana, S.L. | | ANC | PR | 082 304 8018 | female |
| Cllr Tladi, M.D. | | ANC | WARD 28 | 082 526 0053 | male |
| Cllr Tshoma, L.H. | | ANC | WARD 22 | 082 304 8019 | male |
| Cllr Tshoma, M.S. | | ANC | WARD 17 | 082 304 8017 | female |
| Cllr Tshoshane, M. | Exco | ANC | PR | 082 332 2949 | female |

Table 2.1.3: Section 79 portfolio committees

| Corporate Services department | Infrastructure department | budget and treasury department |
|--|---|--|
| 1) Chairperson: Cllr Mathebe, J.L. | 1) Chairperson: Cllr Matjomane G.D. | 1) Chairperson: Cllr Mmutle T.N. |
| 2) Cllr Malekane, M.S. | 2) Cllr Tshoma, M.S. | 2) Cllr Mahlase, K.S. |
| 3) Cllr Mokganyetji, T.M. | 3) Cllr Mahlase, K.S. | 3) Cllr Matsepe, T.S. |
| 4) Cllr Mzinyane, D.M. | 4) Cllr Motlafe, M.G. | 4) Cllr Matlala, M.S. |
| 5) Cllr Mahlangu, J. | 5) Cllr Mashilo, M.S. | 5) Cllr Marapi, M.S. |
| 6) Cllr Malatji, M.N. | 6) Cllr Phatlane, A. | 6) Cllr Mahlangu, N.N. |
| 7) Cllr Buda, M.Z. | 7) Cllr Mmutle, T.N. | 7) Cllr Nkosi, S.F. |
| 8) Cllr Mhlanga, C.T. | 8) Cllr Maselela, M.S. | 8) Cllr Tshoshane, K.M. |
| 9) Cllr Moganedi, V.V. | 9) Cllr Kotze, J.P. | 9) Cllr Skosana, J.J. |
| 10) Cllr Tshoma, M.S. | 10) Cllr Kabinie, R.S.A. | 10) Cllr Skosana, J.J. |
| | | 11) Cllr Maepa, M.M. |
| community services department | Strategic Department | Planning department |
| 1) Chairperson: Cllr Kabinie, R.S.A. | 1) Chairperson: Cllr Mzinyane, D.M. | 1) Chairperson: Cllr Mehlape, S.H. |
| 2) Cllr Mathale, S.M. | 2) Cllr Tladi, M.D. | 2) Cllr Mahlangu, N.N. |
| 3) Cllr Nduli, M.E. | 3) Cllr Matjomane, G.D. | 3) Cllr Matshipa, M.P. |
| 4) Cllr Mahlangu, M.D. | 4) Cllr Mokganyetji, T.M. | 4) Cllr Mashifane, H.S. |

| | | |
|--|--------------------------------|------------------------|
| 5) Cllr Phala, M.L. | 5) Cllr Mashilo, M.S. | 5) Cllr Mahlangu, M.D. |
| 6) Cllr Mashifane, H.S. | 6) Cllr Tshoma, L.H. | 6) Cllr Motlafe, M.G. |
| 7) Cllr Tshoma, L.H. | 7) Cllr Mehlope, S.H. | 7) Cllr Mohlala, J.M. |
| 8) Cllr Malatji, M.N. | 8) Cllr Tshoshane, K.M. | 8) Cllr Ntuli, T.J. |
| 9) Cllr Mkhaliphi, I. | 9. Cllr Matsomane S.T | 9) Cllr Maloba, A.M. |
| 10) Cllr Podile, R.M. | | 10) Cllr Motau, O.E. |
| Municipal Public Accounts Committee | Oversight Committee | |
| 1) Chairperson: Cllr Skosana, S.L. | Chairperson: Cllr Jan Mohlala. | |
| 2) Cllr Mashifane, H.S. | Cllr Matsepe, C.D. | |
| 3) Cllr Matshipa, M.P. | Cllr Nkosi, S.F. | |
| 4) Cllr Maepa, M.M. | Cllr Malekane, M.S. | |
| 5) Cllr Skosana, J.J. | Cllr Mathebe, J.L. | |
| 6) Cllr Nduli, M.E. | | |
| 7) Cllr Phatlane, A. | | |
| 8) Cllr Tladi, M.D. | | |
| 9) Cllr Matsepe, C.D. | | |
| 10) Cllr Mmutle, J.N. | | |

2.1.4 Below are faces for the Mayor, Executive committee and the Speaker



W.M Matemane
Mayor
0824950486

2.1.4.1 Powers and functions of Mayor as per section 52 of the Municipal Systems Act

- Provide general political guidance over the fiscal and financial affairs of the municipality.
- In providing such general political guidance, may monitor and, to the extent provide in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities
- Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.
- Must within 30 days of the end of each quarter submit a report to council on the implementation of the budget and the financial state of affairs of the municipality
- Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by council to the mayor

2.1.4.2 Executive Committee Members

2.1.4.2.1 Functions of executive committee as per delegation of powers

- to report to council on all decisions taken by it;
- oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection policy and by-laws and the performance of the municipal manager in implementing the policy and by-laws;
- when necessary, evaluate or review the municipality's credit control and debt collection policy and by-laws, or the implementation of the policy and by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures;

- makes recommendations to council on proposed political structures of council;
- makes recommendations to council in respect of its legislative powers;
- gives political directions to executive management team;
- determine strategic approaches, guidelines and growth parameters for the draft budget including tariff structures;
- delegates powers in respect of any of its powers to the mayor;



Cllr A.B. Mahlangu
 Political head for community services
 0823335092



Cllr M.Tshoshane
 political head for strategic services
 0823322949



Cllr M.P. Mokgabudi
 Political head for Infrastructure
 0824950793



Cllr M.F. Madihlaba
 Political head for planning
 0825263996



Cllr D.S. Mamaila
 Political head for finance
 0824950946



Cllr T.S. Mahlangu
 Political head for corporatservices
 0824951407



Cllr Skosana J.J

Exco member
0825255324



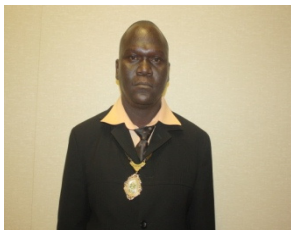
Cllr F.M. Mogotji

Deputy political head for planning
0825254264



Cllr R. Alberts

Deputy political head for finance
0823323180



Cllr E.M Masemola

Speaker

0823337672

- to preside at meetings of the council where she/he is present;
- to ensure that the council meets at least quarterly;
- to ensure compliance with the Code of Conduct for councillors in the meetings of council and council's committees;
- to maintain order during meetings of the council;

- Ensure that the provision in respect of privileges and immunities of councillors, as set out in section 28 of the Structures Act or any other applicable legislation, are adhered to.
- to ensure that council meetings are conducted in accordance with the rules and orders of the council;
- determine the date and venue of ordinary council meetings;
- to convene special meetings of the council at the venue determined by her/him and at the time set out in any request that such a meeting be convened in terms of section 29(1) of the Structures Act; and
- receive information from the Auditor – General regarding the failure to submit annual financial statements.
- in terms of section 13 (1) of the Municipal finance Management Act.

2.1.4.3 Municipal public accounts

One of the strategic objectives of the Local Government Turnaround Strategy is to build clean, effective, efficient, responsive and accountable local government. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality.

Below are faces of MPAC members



Cllr Skosana S.L
MPAC Chairperson
0823048018



Cllr Mmutle T.N
0825254223



Cllr Nduli M.E
0825254140



Cllr Mashifane H.S
0825260440



Cllr Phatlane A
0825254074



Cllr Matshipa M.P
0825254067



Cllr Tladi M.D
0825260053



Cllr Matsepe C.D
0823704233



Cllr Skosana J.J
0825255324



Cllr Maepa M.M
0823323179

2.2 Administrative Governance

Municipal Manager as the Accounting Officer of the municipality provides guidance to political office bearers and to all officials in the municipality. There is a good relationship between the Municipal Manager, administration and political office bearers. Every year there is a schedule of meetings that is approved by council, in order to ensure that all committees meet regularly to discuss administrative, performance and service-delivery issues. All administrative issues that need intervention of council are referred to council for resolution.

Municipality started the financial year 2012/2013 with three Section 56 vacant posts. Two posts were successfully filled during the course of the year, the post for Director Infrastructure and Chief Financial Officer. Filing of these vacant posts was a huge success as municipality struggled to attract suitable candidates for a long time. At the end of the financial year 2012/2013 the post for Director Corporate Services was re-advertised and the one for Director planning, the successful candidate was appointed and awaiting MEC's concurrence. The successful candidate will resume duty in the next financial year 2013/2014.

The administrative components of municipality comprises of seven (6) directorates and 27 managers as follows:

Table 2.2.1: information for EMLM management

| Designation | Initial And Surname | Gender |
|---|----------------------------|---------------|
| Municipal Manager | Mrs. M.M Skosana | Female |
| Director strategic Management | Mr. M.M Kgware | Male |
| Director Corporate Services | vacant | N/A |
| Director Infrastructure | Ms R.F Komape | Female |
| Chief Financial Officer | Mr. M S Monageng | Male |
| Director Community Services | Mr. K E Tshesane | Male |
| Acting Director Development Planning | Mr. B.O Sethojoa | Male |
| Deputy Chief Financial Officer | Mr. R Palmer | Male |
| Legal Advisor | Ms O Nkoe | Female |
| Manager: Budget | Mr L. Sebelebetja | Male |
| Manager: Public Office Bearers | Mr. M M Mokganyetji | Male |
| Manager Assets | Mr. G Marshall | Male |
| Manager: Communications | Mrs M Burger | Female |
| Manager: Supply Chain Management | Mr M Mthimunye | Male |
| Manager Revenue | Mr B Mohlamme | Male |
| Manager: Hlogotlou | Mr. A Madiba | Male |
| Manager :Uitspanning | Mr. J Lepota | Male |
| Manager: Roosenekal | Mr. M F Mahlangu | Male |
| Manager: Motetema | Mr. C Masemola | Male |
| Manager: Electrical Maintenance | Mr. P Dreyer | Male |
| Manager: Human Resources | Mr. L. Mafiri | Male |
| Manager: Administration | Mr. G Ditshego | Male |
| Manager IT | Mr T. Mashaba | Male |
| Manager Environmental services | Ms M Mokhulwane | Female |
| Manager Expenditure | Mr. C Mtsweni | Male |
| Superintendent Roads Construction Unit | Mr. J Malaka | Male |
| Manager Traffic | Mr. C Coetzee | Male |
| Manager Roads | Mr. B Mkhonto | Male |
| Manager Licensing | Mr. D. Manzini | Male |
| Manager LED | Mr. M. Mathebe | Male |
| Manager IDP | Mr. J Motha | Male |
| PMU Manager | Mr H Mokgehle | Male |
| PMS Manager | Ms P Mdluli | Female |

| Designation | Initial And Surname | Gender |
|---------------------|---------------------|--------|
| Electrical engineer | Mr K.K. Mametsa | Male |
| Chief Risk Officer | Mr K. Mathebe | Male |

2.2.2 Below are faces for EMLM senior Managers



MS M.M. Skosana
Municipal Manager



Mr M.M. Kgwale
Director Strategic Management

| | |
|---|---|
| Highest qualifications: BSC Honours Degree | Highest qualifications: B.Tech Degree (Commerce) |
| contact number: 0829498620 | contact number: 0798790689 |
| <i>Functions</i> | <i>Functions</i> |
| <ol style="list-style-type: none"> 1. Provides guidance and advice on compliance with political structures, political office bearers and officials of the municipality. 2. Acts with fidelity, honesty, integrity and in the best interest of the municipality, in managing its financial affairs. 3. Discloses to council and the mayor, all material facts available to the accounting officer | <ol style="list-style-type: none"> 1. Manage performance management system. 2. Manage integrated development planning. 3. Manage communications. |



Mr K.E. Tshesane
 Director Community Services



Ms R.F Komape
 Director Infrastructure

| | |
|--|--|
| Highest qualifications: Bachelor of Educational Management | Highest qualifications: B Tech Civil Engineering |
| contact number: 0823327024 | contact number:0824440532 |
| <i>Functions</i> | <i>Functions</i> |
| <ol style="list-style-type: none"> 1. Manage environmental services 2. Manage traffic law enforcement 3. Manage licensing services 4. Manage service delivery points | <ol style="list-style-type: none"> 1. Manage roads, storm water and building maintenance 2. manage electrical and mechanical services 3. Manage project management unit |



Mr O. Sethoja
Acting Director Development Planning



Mr M.S Monageng
Chief Financial Officer

| | |
|---|--|
| Highest qualifications: Bachelors Degree in Urban and Regional Planning | Highest qualifications: Masters of Business Administration |
| contact number: 0820821222 | contact number: 0877595131 |
| <i>Functions</i> | <i>Functions</i> |
| <ol style="list-style-type: none"> 1. Manage development planning 2. Manage local economic development 3. Manage land use management | <ol style="list-style-type: none"> 1. Administratively in charge of the budget and treasury office 2. Advice accounting officer on the exercise of powers and duties assigned to the accounting officer. 3. Assist the accounting officer with the administration of the municipality's bank account, and with preparation and implementation of the municipal budget. 4. Perform budgeting, accounting, analysis, cash management, debt management, supply chain management, and financial management |

COMPONENT B INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental relations

2.3.1 District intergovernmental structures

EMLM has a good relationship with Sekhukhune district municipality and all local municipalities within the district. There are different forums conducted by district where officials and politicians from local municipalities are invited to participate. The structures are as follows:

| Structures | Directorates | establishment |
|----------------------------|-----------------------------|-------------------------|
| EXCO Lekgotla | Mayor and Municipal Manager | provincial |
| Municipal Manager's forums | Municipal Manager | provincial and district |
| IDP forums | IDP Manager | provincial and district |
| PMS forums | PMS Manager | provincial and district |
| LED forums | LED Manager | provincial and district |

The above forums meet quarterly to discuss progress made on service delivery. The forums are facilitated by COGHSTA representatives and district officials. They are very fruitful forums, as members use this opportunity to share ideas and to learn from each other, in order to improve service delivery.

2.3.2 Provincial intergovernmental structures

EMLM has a good relationship with provincial structures, namely COGHSTA, the Premier's Office and the provincial treasury. The province coordinated various forums where it met with members from all municipalities in the province, in order to discuss service delivery issues. Members from COGHSTA, the Premier's Office and the provincial treasury also form part of those forums. The forums are:

- Provincial intergovernmental forum
- Premier/Mayor's forum
- Provincial monitoring and evaluation forum
- Provincial government communicators' forum.

The forums are very fruitful as any kind of question is clarified, and municipalities that lack capacity are identified and provided with all necessary support.

COMPONENT C PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Overview of public accountability and participation

Municipality uses different kinds of public participation, such as the Mayor's outreach, public meetings and IDP/PMS consultation, in order to promote the culture of accountability. Public participation has been conducted in all 30 wards during the IDP consultation where members of the community attended in large numbers to raise their service delivery needs and they were provided with feedback or progress about projects and objectives that are set in the IDP.

Community needs were incorporated in the IDP where they were prioritised based on the budget available. All Directors, Managers and other officials participated in this process in corporation with ward councillors and ward committees. The process of public participation has impacted positively on service delivery as municipality was given direction by community members as to what needs to be done for them. Municipality is accountable to its community and as the results there was a decrease in community protest during the year under review.

2.4.1 Communication, participation and forums

Communication is an important element of good governance. It is through communication that communities and other stakeholders are informed about the activities of the municipality, and thereby getting empowered to participate in the affairs of the municipality. EMLM Communities play a vital role to ensure accountability in municipal affairs.

Council account to the community through established ward committee system and scheduled IDP/Budget/PMS community participation processes. The community participation processes have entrenched a culture of involving communities in decision making processes during the process and finalization of the IDP/Budget/PMS. Communities are continuously informed on municipal governance, management and development through the usage of the local media, website, and council sittings.

There are different types of effective forums which assist in knowledge sharing to achieve set goals of municipality those forums are as follows:

- PMS forum
- IDP forum
- Budget steering committee

- forum

The forum holds meetings quarterly with high attendance rate to discuss service delivery issues and measures to improve performance. PMS and IDP forums are represented by Sekhukhune district municipal officials, local municipality's officials and provincial officials. Budget steering committee is represented by the Chairperson of Finance and all section 56 managers. Whatever decision is taken in those forums that affect community members, such decision are communicated to members of community through our communication channels .e.g. Financial status of municipality and performance of municipality

2.5 Public meetings

The purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the municipality. They are further utilized as a platform to agree on community needs. During the year under review 15 public meetings were held in different wards. All public meetings held were beneficial and minimum queries were raised by community members and those which are our municipal functions were clarified during the meeting e.g. electricity and refuse removal issues. Those issues raised which are not municipal function were referred to relevant sector departments and Sekhukhune district municipality.

| PUBLIC MEETINGS | | | | | | | | | |
|-----------------|-------------------------------|----------------|---|--|---------------------------------------|--|--------------------------|---|--|
| Ward no | Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community | |
| 01 | Community meeting | 22/03/13 | 01 | 01 | 366 | Water, Sanitation and EPWP | Yes | 11/06/13, Through community meetings | |
| 02 | Stakeholders forum | 11/2/13 | 01 | 02 | 17 | Sanitation | Yes | 11/02/13 | |
| 03 | Community consultation | 21/4/2013 | 01 | 02 | 64 | Water and none feedback | No | Through community meetings | |
| 04 | Community meeting | 24/2/13 | 01 | 03 | 103 | Water, unemployment, RD P Houses | Yes | Community consultation | |
| 05 | Launching of CPF | 17/3/12 | 02 | 02 | 92 | Water valve, jojo tanks and crime | Yes | 21/4/12 through IDP consultation | |
| 06 | Ward committee | 14/11/12 | 01 | 00 | 00 | ID'S, Water, Food parcels and Learnerships | Yes | IDP Consultation | |
| 07 | Ordinary community | 24/11/12 | 01 | 02 | 90 | Electricity and water | Yes | IDP Consultation | |

| PUBLIC MEETINGS | | | | | | | | | |
|-----------------|-------------------------------|----------------|---|--|---------------------------------------|---------------------------------|--------------------------|---|--|
| Ward no | Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community | |
| | meeting | | | | | | | | |
| 08 | Ordinary community meeting | 16/10/12 | 01 | 02 | 78 | Water and Road | Yes | Community Meetings | |
| 09 | Community Meeting | 05/06/12 | 02 | 01 | 109 | Tavern (Rasta) and Electricity | Yes | Home Visit and in the meeting | |
| 10 | Ward committee meeting | 20/02/12 | 01 | 00 | 00 | RDP Houses and Water | Yes | Community Consultation | |
| 11 | NCOP | 13/11/12 | 02 | 01 | 108 | New grave side roads maintained | Yes | Community consultation | |
| 12 | Community Meeting | 20/10/12 | 01 | 02 | 140 | Water, Toilet and Electricity | Yes | Community Consultation | |
| 13 | none | none | 00 | 00 | 00 | none | No | none | |
| 14 | Sectoral Meeting | 18/2/12 | 00 | 01 | 22 | ID'S and RDP | No | Farm visit | |
| 15 | Ward committee meeting | 20/10/12 | 01 | 01 | 11 | RDP water road | No | Ward committee meeting | |
| 16 | Ward committee meeting | 18/09/12 | 01 | 02 | 11 | Appointment of CLO | Yes | Ward committee meeting | |
| 17 | Community Meeting | 01/01/12 | 01 | 00 | 68 | Razor Grader | Yes | Community consultation | |
| 18 | Ward | 14/03/2013 | 00 | 00 | 10 | Water, Electricity | Yes | Community | |

| PUBLIC MEETINGS | | | | | | | | | |
|-----------------|--------------------------------|----------------|---|--|---------------------------------------|--|--------------------------|---|--|
| Ward no | Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community | |
| | committee meeting | | | | | and Road from Monsterlus to Makgopheng | | Consultation | |
| 19 | Community Meeting | 19/11/12 | 01 | 02 | 93 | Road and Water Project | Yes | Community Consultation | |
| 20 | Special Community Meeting | 18/04/12 | 02 | 00 | 119 | Road Construction, Naming of Street and By Laws | Yes | 06/05/12 | |
| 21 | Community Meeting | 07/10/12 | 01 | 02 | 298 | Road,Electricity,Education,RDP and EPWP Project | Yes | 15/03/13 | |
| 22 | Community Meeting | 30/09/12 | 02 | 00 | 89 | Water | Yes | Community Consultation | |
| 23 | Community Meeting | 17/08/12 | 01 | 00 | 310 | Wetland Project,Donga Project | Yes | Community Consultation | |
| 24 | Community Meeting | 22/04/12 | 01 | 00 | 80 | Water,Grader | Yes | Community Consultation | |
| 25 | Community Meeting | 21/06/12 | 01 | 00 | 125 | Water, Road and electricity | Yes | Community Consultation 10/07/12 | |
| 26 | Community consultation meeting | 06/04/2013 | 01 | 01 | 66 | Water,job creation,paving of access roads,fencing of grave yards | yes | IDP consultation and community consultation | |

| PUBLIC MEETINGS | | | | | | | | | |
|-----------------|-------------------------------|----------------|---|--|---------------------------------------|---|--------------------------|---|--|
| Ward no | Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community | Issue addressed (Yes/No) | Dates and manner of feedback given to community | |
| | | | | | | andpaypoint | | | |
| 27 | Community meeting | 15/11/2012 | 01 | 00 | 115 | Water, food parcels, electricity and RDP houses | yes | Community meeting | |
| 28 | Community meeting | 14/07/2012 | 01 | 00 | 146 | water | yes | Community meeting | |
| 29 | Community meeting | 20/01/13 | 01 | 00 | 141 | EPWP | yes | Community meeting | |
| 30 | Community meeting | 31/12/2013 | 01 | 00 | 23 | Jobs and RDP houses | yes | Public participation meeting | |

2.6 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria* | Yes/No |
|--|--------|
| Does the municipality have impact, outcome, input, output indicators? | yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | yes |
| Does the IDP have multi-year targets? | yes |
| Are the above aligned and can they calculate into a score? | yes |
| Does the budget align directly to the KPIs in the strategic plan? | yes |
| Do the IDP KPIs align to the Section 57 Managers | yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | yes |
| Were the indicators communicated to the public? | yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | yes |

COMPONENT D: CORPORATE GOVERNANCE

Overview of corporate governance

EMLM has a code of conducts and policies in place that serves as guidance onto how to execute our functions in a responsive manner. These documents are applicable to everyone in the municipality, as they set out rules, laws, customs and culture of the municipality. All officials, together with political heads, work collectively, guided by policies to deliver efficient service delivery to communities in order to achieve the vision and goals of the municipality

2.7 RISK MANAGEMENT

EMLM has the risk management unit in place which it became functional for the first time during the year under review. Two officials were appointed to ensure effectiveness and transparency in the municipality. Strategic risk register and operational risk register was developed and approved by Audit committee and also the council .Draft Anti-fraud and corruption strategy was developed to combat fraud and corruption within the municipality. At the end of the financial year, the strategy was not approved by audit committee. It will serve in audit committee in the next financial year. Currently there is no risk management committee in place. For the financial year under review no fraud and corruption was reported.

2.8 SUPPLY CHAIN MANAGEMENT

Municipality has SCM policy in place to minimize opportunities for fraud and corruption. There are SCM committees in place that are reviewable annually to ensure value for money in awarding of tenders. For the year under review 14 tenders were awarded.

Information of SCM committees

| Description | Number of meetings | members of the committee | functions |
|-----------------------------|--------------------|-----------------------------|--|
| Bid specification committee | 11 | 05 officials | Compiles the specifications for the procurement of goods and services by the municipality |
| Bid Evaluation committee | 15 | 01 Director and 04 managers | Evaluates bids and recommends to the bid adjudication committee, regarding the award of the bid. |
| Bid Adjudication committee | 14 | all Directors | Consider the report and recommendations of the bid evaluation committee and depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award or makes further recommendation to the accounting officer on how to proceed with relevant procurement of goods and services |

2.9 WEBSITE

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. If managed effectively, it allows easy access to relevant municipal information, it serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. The municipal website is www.eliasmotsoaledi.gov.za. Municipality's website is available and functional to assist members of the community and fellow South Africans to access municipal information easily. The website officer has been appointed to ensure that the website is always updated, functional and user friendly.

2.10 AUDIT COMMITTEE

EMLM has audit committee in place which consists of 05 members. During the year 2012/2013, 02 audit committee members resigned Ms F J Mudau and Mr B Mohlamme. Their resignation left the committee with 03 members by the end of the financial year. The vacant posts for 02 members were advertised and interviews were conducted but no appointments were made by the end of the financial year. The appointment of audit committee members has been a significant achievement for the municipality. The committee renders their services in terms of Section 166 (Act 56 of 2003) of MFMA. During the year under review 04 ordinary audit committee meeting and 06 special audit committee meetings took place.

Audit Committee members are:

| Surname and initials | Gender |
|--------------------------------------|--------|
| Advocate: Kholong, T.S,(chairperson) | male |
| Advocate: Nke, R, | male |
| Gafane, T. | male |
| Mudau F J | Female |
| Mohlamme B | Male |

Audit committee members took the following recommendations:

2.10.1 Operational and Financial Reports

That a project management approach be adopted by management in dealing with AG queries. Strategic positions such as that of the Chief Financial Officer be urgently filled. The capacity of the internal audit unit be urgently built by the municipality to assist the municipality in improving controls before external audit processes.

2.10.2 Information Communication Technology

That the ICT governance and control environment be urgently improved by management especially as recommended by the Auditor general.

2.10.3 Second Quarter Institutional Performance Report.

Performance agreements should be finalized for Acting Directors with respect to departments they are responsible for in an acting capacity to engender accountability. Panel of Attorneys must be put into place to avoid the risk of non-compliance with the supply chain management regulations in the procurement of legal services. There must be better contract management of Consultants assisting the CFO and the municipality.

2.10.4 Annual Report 2011/2012 and Audit Action Plan.

That there must be better contract management of Consultants assisting the CFO and the municipality.

2.10.5 Revenue

That strategy must be devised by management including targeting and segmentation of debtors to improve collection.

2.10.6 Debt Management

That debtors from the old system be assessed and where appropriate recommendation to Council be made to write-off such irrecoverable debts. Action plan by management be developed to address debt collection.

2.10.7 Quarterly Risk Assessment Reports

That the strategic risk register must be aligned with the objectives set out in the IDP and the SDBIP.

CHAPTER 3

SERVICE DELIVERY

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Municipality provide free basic electricity to indigents families. During the year under review municipality targeted 1000 households to receive free basic electricity and only 800 households benefited. EMLM is licensed to provide electricity in two wards which is Groblersdal and Roosenekaal towns only at 20MVA and 5MVA respectively. All other 28 wards are Eskom licensed areas. This lead to low rate of revenue collection as electricity is the main source of revenue collection in the municipality. 96% of the municipality has access to electricity. Municipality has a backlog of 4% - which is due to lack of bulk capacity and budget constraints. Limited capacity of the Eskom grid limits acceleration of electricity connections to more households in the municipal area. Illegal connections remain a threat to expanding access of electricity to all residents and communities.

Table 3.1.1: information for employees in electricity unit.

| Employees: Electricity Services | | | | | |
|--|------------------|----------------|------------------|---|--|
| Job Level task grades | 2011/12 | 2012/13 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | | | | |
| 4 - 6 | 04 | 06 | 04 | 02 | 33% |
| 7 - 9 | 02 | 02 | 02 | 0 | 0% |
| 10 - 12 | 04 | 05 | 04 | 01 | 20% |
| 13 - 15 | 01 | 01 | 01 | 0 | 0% |
| 16 - 18 | 01 | 01 | 01 | 0 | 0% |
| Total | 12 | 15 | 12 | 03 | 20% |

3.2 WASTE MANAGEMENT

During the year under review municipality was able to extend waste removal to Elandsdoorn, Tambo square and Walter Sisulu township which increases the number of households provided with waste removal from 9331 to 9578 as compared to financial year 2011/2012. Provision of waste removal services is found mainly in the Groblersdal, Roosenekaal, Hlogotlou, Motetema and Elandsdoorn areas. The service is provided once per week in all areas. Municipality has two licensed landfill site and one transfer station. Roosenekaal landfill site is well managed and community members pay for dumping waste as compared to the one in Groblersdal and Hlogotlou.

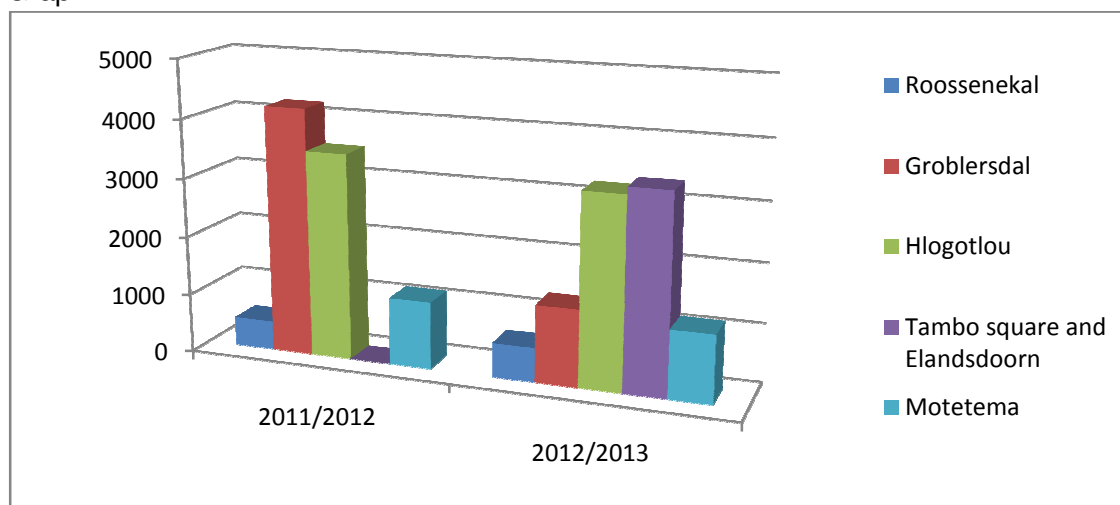
The extension it's been a great success for the municipality as it was one of the municipal priorities. 2000 households in rural areas (Tafelkop) receive waste removal service at least once a week, via skips bins which were distributed and placed at strategic places accessible to community members. During the year under review 10 skips were purchased and distributed to rural areas to reduce huge number of illegal dumping. 01 skip loader truck was purchased to collect skips that are located at strategic points in rural areas once per week. During the financial year 2011/2012 this service was outsourced as the municipality had no skip loader truck in place.

Illegal dumping remains a concern to the Municipality given the extent of the damage to the environment and possible health hazards that may result from lack of waste removal services. Municipality supported two cleaning campaigns initiated by community members at Tafelkop and Elandsdoorn. Municipality provides street cleaning service seven times a week which is outsourced and the service is limited only to Groblersdal and Roosenekaal town. Municipality obtained third position in Sekhukhune District Greenest municipality competition.

Table 3.2: level of service for households.

| Service Area/Suburb | Collection Day | Number of households | |
|---|--------------------|----------------------|-------------|
| | | 2011/2012 | 2012/2013 |
| Roosenekal | Monday & Thursday | 492 | 578 |
| Groblersdal | Tuesday & Thursday | 4199 | 1300 |
| Hlogotlou | Wednesday & Friday | 3499 | 3220 |
| Tambo square &Elandsdoring Township | Wednesday & Friday | 0 | 3338 |
| Motetema | Tuesday | 1141 | 1142 |
| TOTAL | | 9331 | 9578 |

Graph 1:



Eight skip bins are distributed in Groblersdal town and Motetema to reduce illegal dumping as follows:

Table 3.3: distribution of skips

| Area | Number of containers |
|--------------------------------|----------------------|
| Capitec passage | 1 |
| Motetema | 2 |
| Tautes street | 1 |
| Canal Street next to Taxi rank | 2 |
| Van - riebeeck | 2 |
| Tafelkop | 3 |
| Sephaku next to the Library | 2 |
| Moteti along the main road | 1 |
| Luckau | 1 |
| Waalkraal | 2 |

Table 3.4 Employees for Solid Waste Management Services

| Employees: Solid Waste Management Services | | | | | |
|--|-----------|---------|-----------|--------------------------------------|-------------------------------------|
| Job Level task grades | 2011/12 | 2012/13 | | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| | Employees | Posts | Employees | | |
| | No. | No. | No. | | |
| 4 - 6 | 12 | 58 | 12 | 46 | 79.3% |
| 7 - 9 | 07 | 10 | 07 | 03 | 30% |
| 10 - 12 | 01 | 03 | 01 | 02 | 67% |
| 13 - 15 | 01 | 01 | 01 | 0 | 0% |
| 19 - 20 | 01 | 01 | 01 | 0 | 0% |
| Total | 22 | 73 | 22 | 51 | |

3.3 FREE BASIC SERVICES AND INDIGENT SUPPORT

EMLM has an indigent policy in place which outlines qualifications to be registered as an indigent. During the financial year 2011/2012 municipality has approved the indigent register of 6207 families. Free electricity is the only benefit that municipality provides to indigents families. Out of 6207 indigents registered, only 1131 beneficiaries were configured by Eskom to qualify for free basic electricity. During the year under review 800 households benefited from free basic electricity. Municipality provides free basic electricity to both Eskom- and municipal-licensed areas. The current collection varies from month to month as not all the indigent's collect their free token. Municipality budgeted R350 000.00 for free basic electricity and the expenditure amounted to R270 000.00.

Graph 2:

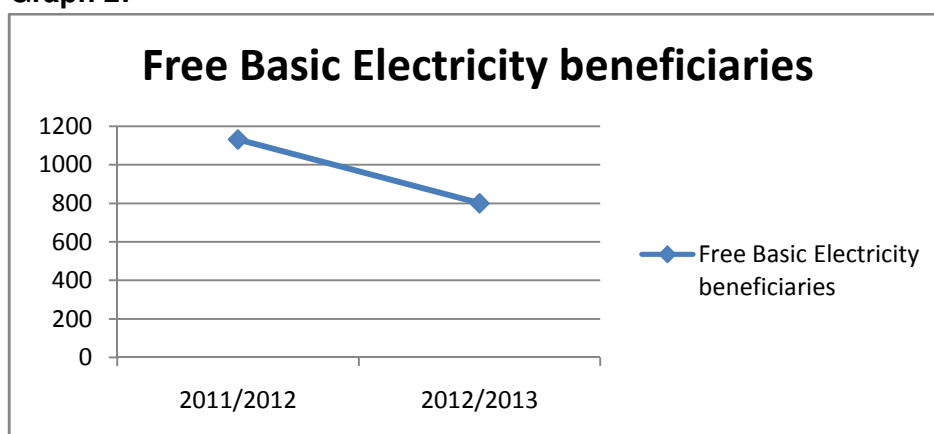


Table 3.5: Financial Performance 2012/13: Cost to Municipality of Free Basic Services Delivered.

| Financial Performance 2012/13: Cost to Municipality of Free Basic Services Delivered | | | | | |
|---|----------------------|--------------------------|----------------------|--------------------------|---------------------------|
| Services Delivered | 2011/12 | 2012/13 | | | |
| | Actual budget | Adjustment Budget | Actual budget | Adjustment Budget | Variance to Budget |
| Electricity | R287, 865 | R0.00 | R319 617.00 | R0.00 | R0.00 |
| Waste Management (Solid Waste) | | | R0.00 | R0.00 | R0.00 |
| Total | R287, 865 | R0.00 | R319 617.00 | R0.00 | R0.00 |

COMPONENT B: ROAD TRANSPORT

3.4 TRANSPORT OVERVIEW

In EMLM there is only one mode of transport: road transport. Communities depend on buses, taxis and their own cars for transport. There is one company of buses within the municipality, namely Great North Transport. Most community members depend on buses as they are the cheapest mode of transport. Few community members depend on taxis as a mode of transport, and very few depend on their own cars for transport.

Buses are available in all 30 wards to transport people, and most of the community rely on bus services, because buses access more remote areas as compared to taxis, that use only main roads. The service of the Great North Buses is available the whole day, for the entire week. There is also one PUTCO bus that transports people, but only from Groblersdal to Pretoria. This service is available only in the morning and afternoon, and helps many of our community members, as they travel to Pretoria more cheaply than in taxis. Municipality has no transport master plan in place. Municipality has no road master plan in place.

3.4.1 PERFORMANCE OF ROADS

Municipality has two roads divisions (maintenance and road construction) 04 roads consisting of 8.25 kilometres were constructed during the year under review, only MIG approved roads were constructed. 8.25km kilometres of road were constructed in the financial year 2012/2013 and 17.2 kilometres during financial year 2011/2012. At the end of the financial year all 04 roads construction were completed and there was no rolled over project as compared to financial year 2011/2012 where 05 projects were rolled over to financial year 2012/2013.

All 2011/2012 rolled over projects were completed within the second quarter of the financial year 2012/2013. 792m² of potholes were repaired and 26 road signs were replaced. The state of municipal roads has deteriorated due to limited routine and preventative maintenance. Road division has a register in place where ward councilors register road that needs emergency gravelling especially in case of funerals. Emergency blading is usually done on Thursdays and Fridays.

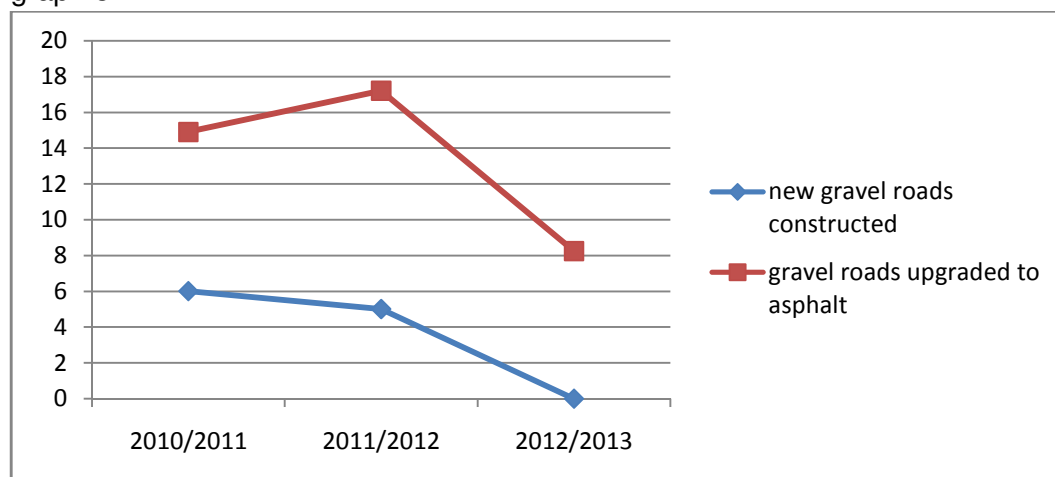
The long term strategy of the Municipality is to surface roads within the municipal area. Based on highroad backlog different strategies are implemented, including preventative maintenance of the road Infrastructure. To improve accessibility to villages, 21.3km has been regavelled and 230m of storm water channels was cleaned and repaired. No provincial road was delegated to municipality during the year under review.

Table 3.6: gravelled and asphalted roads

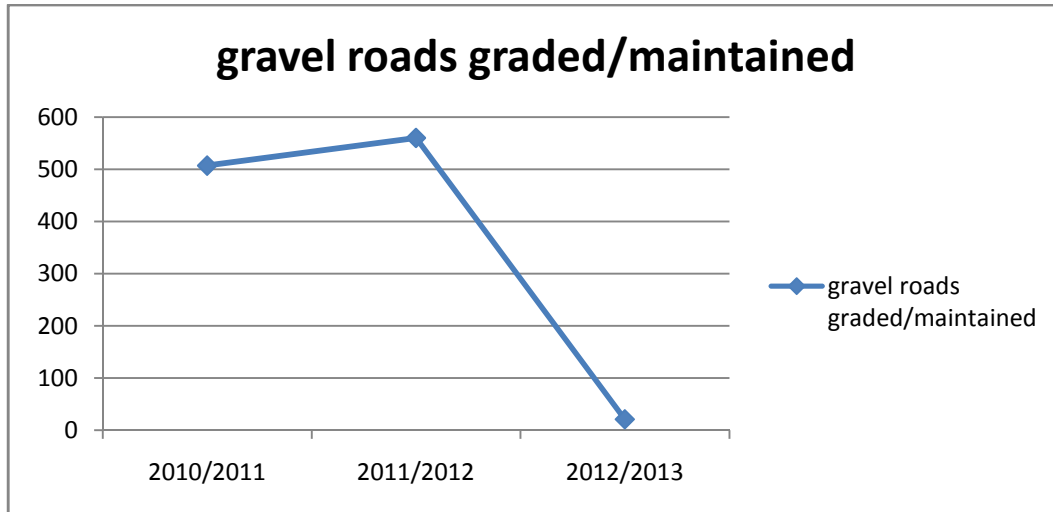
| Gravel Road Infrastructure | | | | |
|-----------------------------------|---------------------------|-------------------------------------|---|--|
| | Kilometres | | | |
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to asphalt | Gravel roads graded /maintained |
| 2010/11 | 1367km | 5km | 14.9km | 507km |
| 2011/12 | 1352km | 6 km | 17.2 km | 560km |
| 2012/13 | 1343.75 km | 0km | 8.25km | 21.3 km |

| Asphalted Road Infrastructure | | | | | |
|--------------------------------------|------------------------------|--------------------------|--|--|---------------------------------|
| | Kilometres | | | | |
| | Total roads (backlog) | New asphalt roads | Existing asphalt roads re-asphalted | Existing asphalt roads re-sheeted | Asphalt roads maintained |
| 2010/11 | 1367km | 14.9 km | 0km | 507km | 1367km |
| 2011/12 | 1352.1km | 17.2km | 2km | 560km | 1352km |
| 2012/13 | 1334.9km | 8.25 km | 0km | 0km | 0 km |

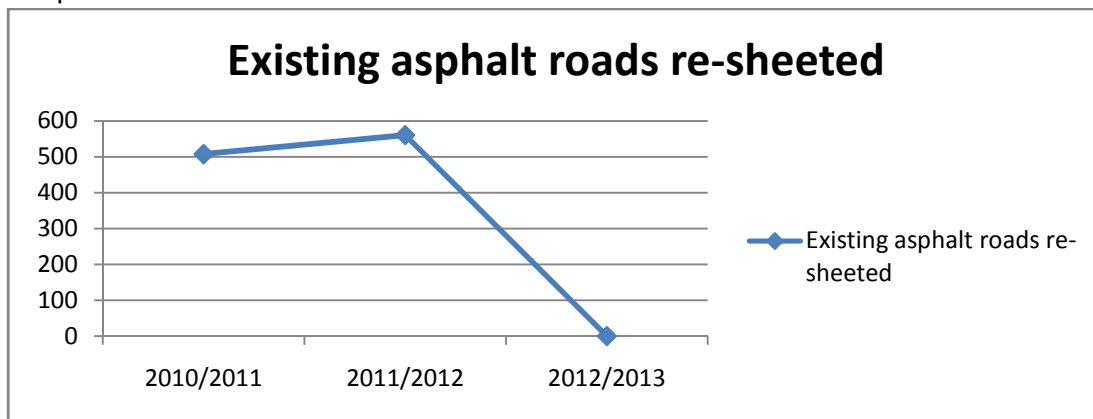
graph 3



Graph 4:



Graph 5:



Graph 6

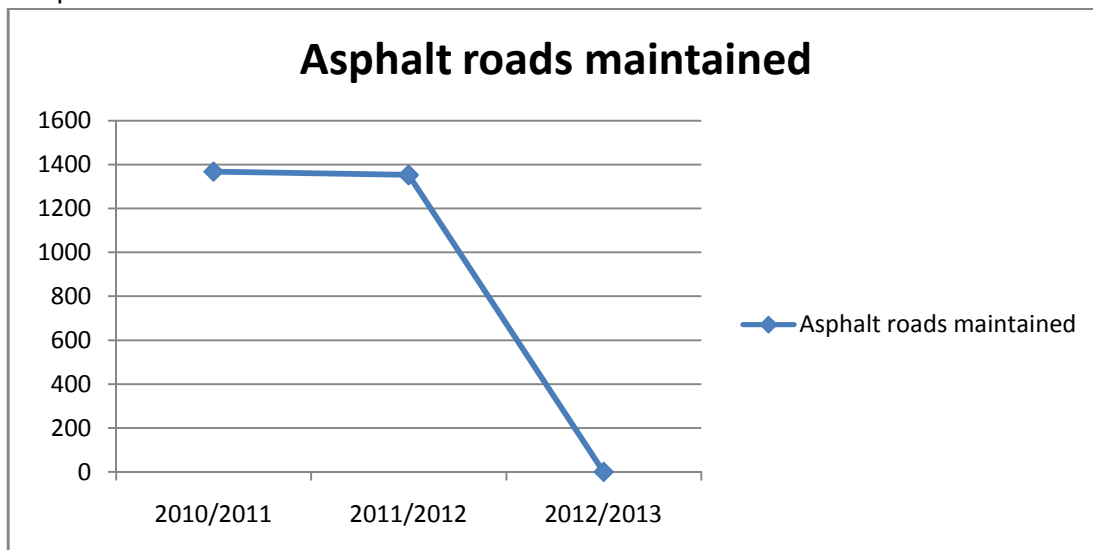


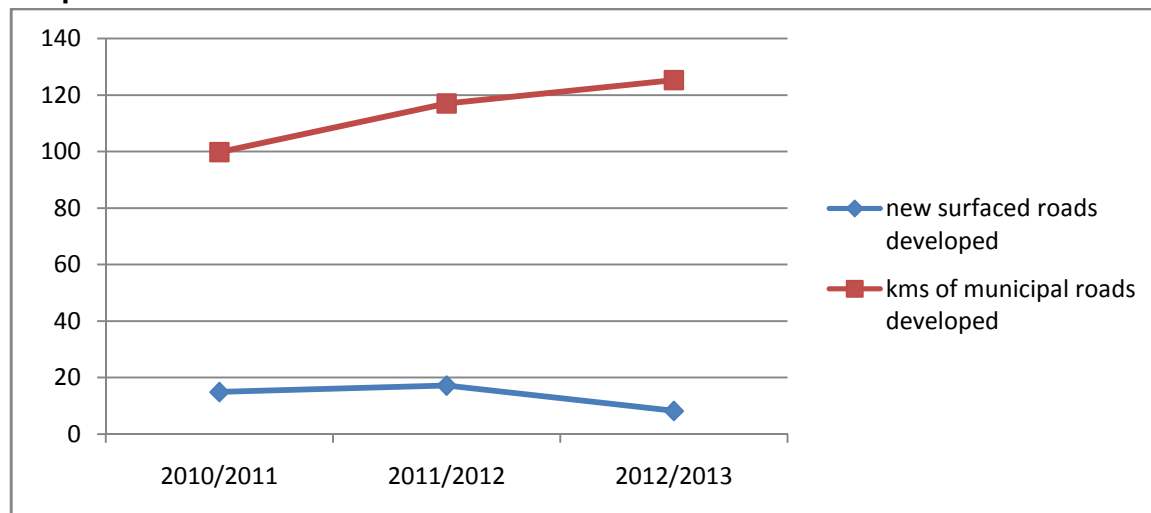
Table 3.7: employees for roads and stormwater services

| Employees: Roads and stormwater services | | | | | | |
|---|-------------------|-----------------------------------|-------------------------------|--|--|----------------------------------|
| Job Level task grade | 2011/12 | 2012/13 | | | | |
| | Employees | posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) | |
| | No. | No. | No. | No. | % | |
| 4 - 6 | 23 | 72 | 23 | 49 | 68.1% | |
| 7 - 9 | 01 | 05 | 01 | 04 | 80% | |
| 10 - 12 | 0 | 02 | 0 | 02 | 100% | |
| 13 - 15 | 2 | 02 | 02 | 0 | 0% | |
| Total | 26 | 81 | 26 | 55 | 67.9% | |
| | | | | | | |
| | | | | | | |
| Capital Expenditure 2012/13: Road Services | | | | | | |
| R' 000 | | | | | | |
| Capital Projects | 2012/13 | | | | | |
| | Budget | Adjustm ent Budget | Actual Expenditure | Variance from original budget | Total Project Value | source of funding |
| Total All | | | | | | |
| Nyakelan g public route upgrade phase 3 | R11 792 374.96 | R0.00 | R11 792 374.96 | R0.00 | R11 792 374.96 | MIG funding |
| Tourism Informati on centre | | R0.00 | R 0.00 | R0.00 | R0.00 | MIG funding |
| Roads to Magoshi | R1,500 000.00 | R0.00 | R1,500 000.00 | R0.00 | R1,500 000.00 | MIG funding |
| Zaaiplaas road (police station road) phase 3 | R5,665 000.00 | R0.00 | R5 648 947.40 | R 16,052.60 | R5 648 947.40 | MIG funding |
| Ramogw erane phase 5 | R19,277 000.00 | R0.00 | R19,277 000.00 | R0.00 | R19,277 000.00 | MIG funding |

Table 3.8: DEVELOPMENT OF MUNICIPAL ROADS

| Development of municipal roads as required | new surfaced roads developed | km of municipal roads developed |
|--|------------------------------|---------------------------------|
| 2010/11 | 14.9km | 99.8km |
| 2011/12 | 17.2km | 117km |
| 2012/13 | 8.25km | 125.25km |

Graph 7



3.4.2 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

Table 3.9 : municipal infrastructure grant expenditure

| Municipal Infrastructure Grant (MIG)* Expenditure 2012/13 on Service backlogs R' 000 | | | | | | |
|---|----------------|-------------------|----------------|----------|-------------------|---|
| Details | Budget | Adjustment Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Budget | Adjustment Budget | |
| Infrastructure - Road transport | | | | | | |
| <i>Roads, Pavements & Bridges</i> | R35,223,000.00 | R0.00 | R35,223,000.00 | 0 | 0 | 0 |
| <i>Storm water</i> | | | | | | |
| Infrastructure - Electricity | | | | | | |

| | | | | | |
|-------------------------------|-----------------------|-------|-----------------------|--|--|
| <i>Generation</i> | | | | | |
| <i>Street Lighting</i> | | | | | |
| Infrastructure - Other | | | | | |
| <i>Transportation</i> | | | | | |
| <i>Gas</i> | | | | | |
| Other Specify: | | | | | |
| EPWP | R1,000.000.00 | R0.00 | R1,000.000.00 | | |
| Total | R36,223,000.00 | | R36,223,000.00 | | |

COMPONENT C : PLANNING AND DEVELOPMENT

3.5 Planning overview

The Department of Planning consists of two units which are planning inclusive building and local economic development. The department is responsible for land use, land management and local economic development, within the jurisdiction of the municipality. The Town Planning and Building division is responsible for this function, and for the provision of strategic direction regarding the spatial planning of towns, and R 293 and 188 areas in EMLM. Below are all approved applications for the financial year 2012/2013:

Table 3.10: approved land applications

| DESCRIPTION | APPROVED |
|--|----------|
| Proposed consolidation of erven 736, 737 & 738 & subsequent subdivision of the consolidated erf of the Groblersdal extension 11 as per provision of section 92(1) of ordinance (15:1986) | ✓ |
| Proposed written consent application as per provision of the Groblersdal town planning scheme (2006), clause 17, erf 753, Groblersdal extension 11 | ✓ |
| Proposed Removal of restrictive conditions and rezoning: portion 1 of erf 319 Groblersdal Extension 2 | ✓ |
| Proposed special consent: Erf 1051, Hlogotlou Unit A | ✓ |
| Proposed removal of restrictive conditions and rezoning erf 351 Groblersdal Extension 2 | ✓ |
| Proposed removal of restrictive conditions and rezoning, portion 1 of erf 71, Groblersdal | ✓ |
| Proposed special consent application, erf 484 Groblersdal extension | ✓ |
| Proposed removal of restrictive conditions & simultaneously rezoning in accordance to the removal of restrictions act (84:1967): r/319 Groblersdal, extension 2 | ✓ |
| Proposed special consent application in accordance to clause 17 of the Groblersdal Town Planning Scheme (2006), Erf 295 Extension 2 | ✓ |
| Proposed rezoning of Erf 98 & 100, Roosenekal & subsequent | ✓ |

| DESCRIPTION | APPROVED |
|--|----------|
| consolidation & subdivision in accordance | |
| Proposed formalisation, Farm Brakfontein 187JS | ✓ |
| Proposed application for removal of restrictions & simultaneous rezoning, Portion 1 of Erf 64 in accordance to the Removal of Restrictions Act (84:1967) | ✓ |

EMLM has the following opportunities and challenges:

Opportunities

- Agriculture potential
- Is a provincial growth point
- Is a host to strategic roads, i.e. the R25.

Challenges

- Mushrooming informal settlements
- Insufficient housing (R295 and towns)
- Insufficient infrastructure in Groblersdal and Roosenekal
- Strategically located piece of land is still registered under the Nkangala District Municipality.

Table 3.11: applications for land use development

| Applications for Land Use Development | | | | | | |
|---------------------------------------|----------------------------|---------|----------|---------|-------------------|---------|
| Detail | Formalisation of Townships | | Rezoning | | Built Environment | |
| | 2011/12 | 2012/13 | 2011/12 | 2011/12 | 2011/12 | 2012/13 |
| Planning application received | 3 | 0 | 67 | 43 | 0 | 0 |
| Applications withdrawn | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications outstanding at year-end | 7 | 07 | 0 | 0 | 0 | 1 |

Table 3.12: employees for planning services

| Employees: Planning Services | | | | | |
|-------------------------------------|-----------------------|-------------------|-----------------------|--|-------------------------------------|
| Job Level | 2011/12 | 2012/13 | | | |
| | Employees (No) | Posts (No) | Employees (No) | Vacancies fulltime equivalents (No) | Vacancies (% of total posts) |
| 7 – 9 | 2 | 2 | 1 | 1 | 50% |
| 10 – 12 | 1 | 1 | 1 | 0 | 0 |
| 13 – 15 | 1 | 1 | 1 | 0 | 0 |
| 16 – 18 | 1 | 1 | 1 | 0 | 0 |
| Total | 5 | 5 | 0 | 1 | 0.2 |

3.6 LOCAL ECONOMIC DEVELOPMENT

Municipality has LED strategy that it is outdated and it was difficult to implement it. Internally there is no capacity to review it therefore we need to appoint a service provider to assist with the reviewal. At the end of the financial year the strategy was not reviewed as there was enough budget to appoint a service provider. In the next financial year 2013/2014 the budget for the reviewal of the strategy will be prioritised.

3.6.1 TOURISM AND CORPORATIVES

During the year under review, municipality supported 03 poultry corporative namely Nala poultry, Bopasenatla corporative and Vukaninisebenze poultry with production inputs. Broachers for all accommodations within EMLM were developed and distributed throughout Limpopo province through Limpopo tourism agency and also at the annual Durban tourism indaba to attract both domestic and international market.

3.6.2 MARKETING

Municipality hosted 03 flea markets inMoutse Mall funded by LEDET where local SMME's were invited to exhibit their products for marketing. Municipality in partnership with LEDA and Sekhukhune district municipality conducted business expo to showcase or exhibit SMME's product in order to access market and 17 SMME's participated in this event. The event benefited 02 black local owned guest houses (Ephemia in Motetema and Sedupe sa Kopa in Tafelkop) as exhibitors were accommodated in those guest houses for two days. Also one company benefited for rendering catering services in this event for two days.

3.6.3 POVERTY ALLEVIATION

Mapochsmine in Roosenekaal implemented two social and labour projects for community members. One of the projects is the nursery where 17 permanent jobs were created and those people are also shareholders in that project. The aim of the project was to rehabilitate the mine using the same plants from the nursery. The mine identified 11 families in Makwana village as poverty alleviation and constructed hydro-pholics for them to plant vegetables for their consumption. Those families are well sustained and sell those vegetables to community members.

| Job creation through EPWP* Projects | | |
|--|----------------------|---|
| | EPWP Projects | Jobs created through EPWP Projects |
| Year | No | No |
| 2010/11 | 0 | 0 |
| 2011/12 | 3 | 656 |
| 2012/13 | 11 | 371 |

| Economic Employment by SectorJobs | | |
|--|---------------------|---------------------|
| Sector | 2011/12 (No) | 2012/13 (No) |
| Agriculture, forestry and fishing | 34 contract jobs | 0 |
| Mining and quarrying | 0 | 17 permanent jobs |
| Manufacturing | 0 | 0 |
| Wholesale and retail trade | 0 | 0 |
| Finance, property, etc. | 0 | 0 |
| Government community and social services | 0 | 0 |
| Infrastructure services | 0 | 0 |
| Total | 34 | 17 |

| Employees: Local Economic Development Services | | | | |
|---|----------------|------------------|---|--|
| Job Level | 2012/13 | | | |
| | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | % |
| 4 – 6 | | | | |
| 7 – 9 | | | | |
| 10 – 12 | 2 | 1 | 1 | 50% |
| 13 – 15 | 1 | 1 | 0 | 0% |
| 19 – 20 | | | | |
| Total | 3 | 2 | 1 | 33% |

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

3.7 Libraries

The Municipality operates library services in Groblersdal and Roosenekal town only. The service will be extended to Sefhaku village in the next financial year as the department of Sports, Arts and culture has constructed a library to improve the culture of learning within the municipality. At the end of the financial year 2012/2013 the library was complete but not operational as it was not opened for public usage. Vast areas in the municipality remain un-serviced and this is problematic as literacy levels in the un-serviced areas are very low.

Below are library activities that took place:

| Activity | Number of people |
|---------------------------------------|-------------------------|
| Registration of members | 111 |
| Number of people entering the library | 16342 |
| Circulation of books (issued) | 18933 |
| Information service: enquiries | 8523 |
| Internal use | 7001 |
| Number of assignments | 1028 |

3.7.1 Library week

Library week was held in March 2013, where library staff visited 8 schools and 150 learners attended the session. The purpose of the session was to promote library services and to encourage learners to visit Groblersdal library for information accessibility.

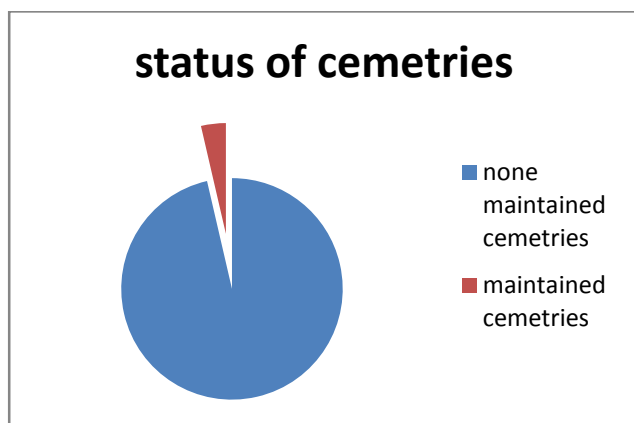
The following schools were visited:

| Name of school | Number of learners | Grade |
|--------------------------|---------------------------|--------------|
| Kenneth Masekela primary | 112 | 7 |
| Matsepe primary | 87 | 7 |
| Sokali primary | 54 | 5 |
| NjingaSindane primary | 67 | 7 |
| Gromma | 56 | 6 & 5 |

| Employees: Libraries | | | | | |
|----------------------------------|------------------|----------------|------------------|---|--|
| Job Level task grades | 2011/12 | 2012/13 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 4 - 6 | | | | | |
| 7 - 9 | | | | | |
| 10 - 12 | 03 | 06 | 03 | 0 3 | 50% |
| 16 - 18 | | | | | |
| Total | 03 | 06 | 03 | 0 3 | 50% |

3.8 CEMETERIES

The municipality has a total number of 107cemeteries and only 04 of them are well maintained which are: Groblersdal, Roosenekaal, Motetema and Hlogotlou. In these areas, the municipality prepares graves for community members, who in turn pay for the services rendered whereas in rural areas community members dig their own graves. Cemeteries in rural areas are without fencing and ablution facilities due to financial constraints. Elandsdoorn cemetery is full to capacity, new site has been identified and EIA studies have commenced.



3.9 SAFETY AND SECURITY

3.9.1 Traffic

Municipality provides traffic services to enforce road traffic laws and promoting free flow of traffic. The service is limited only to Groblersdal and Roosenekaal town and other areas rely on the service provided by the province. Municipality works jointly with the province during busy times such as Easter holidays and Christmas holiday to manage traffic flow. 26 arrive alive campaigns were conducted to educate community members about law enforcement.

3.9.2 Licensing

Municipality provides licensing services with the total number of 14 officials. During the year under review there was an upgrade of licensing service from manual writing of learners' license to electronic writing of learners' license called license pro. The upgrade was initiated by department of transport. The upgrade of the system has affected the application for learners licence negatively as the number declined. The major reason for the decline was the level of computer literacy among community members more especially to elderly people as compared to youth. Most of community members travelled to other municipalities where they still use manual system to obtain learners licence. During the course of the financial year, community members got used to the system and they are now utilising the system without challenges. The service is quicker, fair and user friendly.

The table below provides licensing service data over the past two financial years:

| Description | 2011/2012 | 2012/2013. |
|--|------------|------------|
| number of learners application received | 2711 | 1867 |
| number of learners writing learners exam per day | 1238 | 739 |
| number of learners licence passed | 1014 | 990 |
| number of learners licence failed | 45 | 61 |
| number of withdrawals | 414 | 77 |

COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES .

3.10 HUMAN RESOURCE SERVICES

At the beginning of the financial year 2012/2013 municipality had employed 265 employees with the total of 102 vacancies. Municipality filled 22 vacant posts during the year under review including the appointment of the Chief Financial Officer and the Director Infrastructure. Municipality also managed to appoint audit committee members. The filling of those two critical posts and appointment of audit committee it's been a huge achievement for the municipality. The other achievement was the retention of electrical engineer who was counter offered in order to remain with the municipality. The municipality has succeeded in retaining 98% of the workforce.

3.11 INFORMATION TECHNOLOGY

EMLM has ICT unit in place with the total number of 07 officials. ICT unit is responsible for running daily, weekly, monthly data and backups. It ensures that municipal website is always functional and to provide user support. During the year under review ICT unit eradicated the manual leave application and introduced the electronic system called employee self-service system (ESS). The ESS system is quick, user-friendly and cost saving in the sense that municipality no longer procures leave books. Employees can access their payslips, IRP5 and the balance of their leave days on the system.

The advantage is the system is that employees are able to forward their salary related queries to HR before the payday so that the problem can be sorted before they get paid unlike previously where salary related queries were raised during payday. There is a helpdesk where all IT related queries are forwarded through emails and Technicians will respond to those queries in sufficient time.

ICT unit ensures that network is always available to all municipal applications such as Munusoft, emails, internet, payroll system and leave system for efficient and effective service delivery. The unit also introduce VPN connections for Managers and Directors as their duties are flexible so that they can be able to access municipal server at all times when they are out of the office for them to be able to perform their duties even at home or on weekends. Officials who have municipal cell phones are able to receive municipal emails via their cell phones through VPN system.

Employees: ICT Services (how many employees on the listed task grades and vacancies)

| Job Level | 2012/13 | | | |
|--------------|----------|-----------|----------------------------------|-----------------------------------|
| | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | % |
| 0 - 3 | | | | |
| 4 - 6 | 1 | 1 | 0 | 0% |
| 7 - 9 | | | | |
| 10 - 12 | 5 | 5 | 0 | 0% |
| 13 - 15 | 1 | 1 | 0 | 0% |
| 19 - 20 | | | | |
| Total | 7 | 7 | 0 | 0% |

Capital Expenditure 2012/13: ICT Services

R' 000

| Capital Projects | 2012/13 | | | | |
|-------------------------------------|---------------|-------------------|--------------------|-------------------------------|---------------------|
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | | | | | |
| IT Master System Plan | R 1000,000.00 | R0.00 | R1000,000.00 | R0.00 | R1,000,000.00 |
| (IT Network Support & Maintenance) | R1,900,000.00 | R1,000,000.00 | R2,900,000.00 | R1,900,000.00 | R5,780,000.00 |

3.12 LEGAL

3.12.1 LITIGATION

The following is the list of legal matters that were instituted against the municipality, which were pending during the financial year 2012/2013:

| No. | COURT DATE OF ISSUE | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS OF SUCCESS |
|-----|--|---|--|----------------|----------------------|---|
| 1. | High Court Pretoria 12 January 2011 | Rocco's industrial Supplies is the Plaintiff and EMLM/ A.F Sepokwane and Lotshephe Development Engineers are Defendants | Plaintiff claims for goods delivered and unpaid. Application for summary judgement was opposed by EMLM successfully with a costs order | R426 103.96 | R205 942.36 | EMLM has a good defence against the Plaintiff's claim hence the judgement was in favour of EMLM on the summary judgement |
| 2. | High Court Pretoria 29 May 2011 | Mariana Stofberg is Plaintiff and EMLM is Defendant | Plaintiff claims for injuries sustained as a result of falling in a pit (which in not more than 7cm in depth and not longer than 20cm) in town | R632 904.70 | R105 861.76 | The Plaintiff's claim is not consistent with the pit she alleges to have fallen into. In September 2012 when the case was set down for trial, Plaintiff requested postponement <i>sine die</i> with wasted costs to EMLM. We are waiting near trial date. |

| No. | COURT DATE OF ISSUE | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS OF SUCCESS |
|-----|--|--|--|-------------------|---|--|
| 3. | High Court Pretoria 20 May 2011 | Maqawe Construction is the Applicant and EMLM and Leko Consultants are Respondents | Applicant seeks an order for the payment of money being for services rendered. Application is opposed since it is not acceptable; Applicant has not filed any documents since July 2011 | R3 372 208.00 | NIL | Level of risk is minimum. Applicants have filed a defective application, and have failed to attach annexures they referred to in their documents |
| 4. | High Court Pretoria 2005 | EMLM is Appellant and Frederick Ignatius Maree is Respondent | EMLM lodged an appeal against a magistrate court judgement in Groblersdal; which appeal was successful and Respondent appealed against the judgement unsuccessfully and has approached the municipality for a settlement outside | undetermined | More than R300 000 Actual amount cannot be verified because this matter is more than 7 years old. | The legal costs incurred in the matter is huge, and can be prevented if a settlement agreement is reached with the opponent |

| No. | COURT DATE OF ISSUE | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS OF SUCCESS |
|-----|---|---|---|-------------------|-------------------------------|--|
| 5. | Magistrate Court Groblersdal 12 April 2012 | Buffalo Inn Accommodation CC is the Plaintiff and EMLM and BS Skosana are Defendants | Claim for motor vehicle damages defended through Mphela & Associates. | R38 856.51 | NIL | The municipality will on finalisation of the matter recover what so ever costs it is incurring now if the court will find the driver of the municipal vehicle, Mr. Skosana to have because the Plaintiff's damages as the sum of R38 856.51 plus legal costs. |
| 6. | Magistrate Court Middelburg 05 September 2011 | Maboe Rachidi is the Plaintiff and EMLM; Collen Coetzee and Melinda Marshall are Defendants | Claim for damages for contumelia, assault and loss of dignity | R300 000.00 | R25 190.00 | The municipality is a joint party because the alleged claimed rose during the cause of employment. The municipality will be in a position to claim its looses from employees if judgement is in favour of the Plaintiff |

| No. | COURT DATE OF ISSUE | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS OF SUCCESS |
|-----|---|---|---|-------------------|-------------------------------|---|
| 7. | Magistrates Court Groblersdal 29 October 2012 | Plaintiff is M.K Skhosana and EMLM is Defendant | EMLM is being sued for negligence and loss of income | R81 900.00 | NIL | The case is being defended. Our present investigations shows that the culprits in this matter are provincial traffic officers, and EMLM is sued here as a mistaken identity. |
| 8. | Magistrates Court Groblersdal 29 October 2012 | Plaintiff is L.Z Skhosana and EMLM is Defendant | EMLM is being sued for defamation of character, depravation of freedom and contumelia after Defendant was allegedly wrongfully arrested | R100 000.00 | NIL | The case is being defended. Our present investigations shows that the culprits in this matter are provincial traffic officers, and EMLM is sued here as a mistaken identity. |
| 9. | Magistrates Court Moutse 05 December 2012 | Plaintiff is Oupa Nkosi and EMLM is Defendant | EMLM is sued in its capacity as employer Mahlangu, a driver of municipal vehicle; for | R81 887.85 | R629.28 | The case is being defended. Our present investigations shows that the culprits in |

| No. | COURT DATE OF ISSUE | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS OF SUCCESS |
|-----|--|---|---|-------------------|-------------------------------|--|
| | | | damages Plaintiff's vehicle | | | this matter are provincial traffic officers, and EMLM is sued here as a mistaken identity. |
| 10. | Magistrates Court Groblersdal 11 February 2013 | Applicant is H.M Phaahla and Respondents are M.M Mtsweni, W Matemane and E Masemola | Application is brought by Applicant to interdict Respondents on interviewing and appointing for post of Director Corporate | NIL | R23 000.00 | Application was withdrawn by Applicant. |
| 11. | Magistrates Court Groblersdal 14 January 2013 | Plaintiff J.M Magolego And EMLM Defendant | EMLM is sued in its capacity as employer to T Skhosana a traffic official for issuing a spot fine. | R 100 000.00 | R629.28 | The municipality is being sued for damages as a result of defamation, wrongful detention and contumelia. Alleged wrongful conducts were done by Traffic Officer T Skhosana and Warrant Officer Mashabele. The merits of the case |

| No. | COURT DATE OF ISSUE | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS OF SUCCESS |
|-----|---|--|--|-------------------|----------------------------|--|
| | | | | | | have not been accessed as yet. |
| 12. | Magistrates Court Nebo 14 June 2013 | Plaintiff is Oupa Mahlangu and EMLM is Defendant | The municipality is being sued for services rendered by Plaintiff on agreement made with a junior official. | R116 280.00 | NIL | The services rendered by the Plaintiff were due to discussions between them and the a junior official of the municipality, who had no delegated powers to request such services on behalf of the municipality. The case is being defended because the necessary processes of procurement were not followed and the municipality has not procured the services. |

3.12.2 ARBITRATION MATTERS

| NO. | ARBITRATOR | PARTIES | BACKGROUND | AMOUNT CLAIMED | AMOUNT SPENT TO DATE | PROSPECTS AND RISK |
|-----|--|--|--|----------------|----------------------|---|
| 1. | Mr. P Marais of Potgieter & Marais Attorneys (Appointed by the President of the Law Society) | Applicant is Sechaba Traffic Solutions and EMLM is Respondent | Sechaba's contract was terminated in 2009, and now in 2012 they lodged a claim for remunerations they would have received had the contract not been terminated | R2 101 450.00 | R18 519.27 | It is still early to determine the prospects of success. We have instructed an attorney to draw an exception and plea in the matter. Case is still on pleading stage. |
| 2. | Mr. S.J Grove (Appointed by President of Aouth African Institute of Civil Engineering) | Applicant is EMLM and Respondents are Axton Matrix and Lotshephe Devel Engineers | Unrehabitation of Klip and Kanall street, Groblersdal | Nil | R11 020.83 | It is still early to determine the prospects of success. Matter is still under arbitration. |

Municipality has 02 contingency liability cases which needed to be attended to with caution. The cases are summarised below.

1. High court matter instituted by Mariana Stofberg, who sues the municipality for a sum of **R426 103.96** with legal costs. The case stems from alleged injuries sustained by the Plaintiff after falling in a pit. The trial date of the matter is in February 2014.
2. The arbitration matter instigated by Sechaba Traffic Solutions, who claims from the municipality a sum of **R2 101 450.00**. The Applicant was once contracted by the municipality to supply and install speed traffic machinery in an effort to enforce traffic violations in Groblersdal. The contract was terminated in 2009 due to breach of contract by the Applicant. The Applicant is claiming for remunerations they would have received had the contract not been terminated. There is an apparent misinterpretation of fees payable due to the Applicant hence their claim is excessive.

Component J : Miscellaneous

None

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT K : PERFORMANCE REPORT (INSTITUTIONAL SCORECARD)

PLANNING DEVELOPMENT DEPARTMENT

| Project Name | Objectives / Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|-------------------------------|---|--|---------------|--------------------|---|--|--|---|--|-------------------------------------|----------------|
| Township establishment | To create requisite town planning conditions for growth and development | % of Township establishment in Groblersdal | | OPEX | 60% town establishment in Groblersdal. <ul style="list-style-type: none"> • Topographic map • Traffic Impact Study • Geo-tech • Preliminary EIA & Layout | 100% Township establishment in Groblersdal | 0% Township establishment in Groblersdal | Slowness by the provincial Environmental Affairs Department towards endorsing EIA & issuing road. | Meeting expedition between EMLM & the relevant provincial department . | Approved SG Diagram & RoD. | Not achieved |

| Project Name | Objectives / Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---------------------------------------|---|---|--------|-------------|---|---|---|-------------------------------|---|-----------------------------|--------------|
| building plans assessment | To create requisite town planning conditions for growth and development | No. of non-compliant buildings fined as per National Building Act and Regulations | OPEX | | 17 non-compliant buildings fined as per National Building Act and Regulations | 70 non-compliant buildings fined as per National Building Act and Regulations | 37 non-compliant buildings fined as per National Building Act and Regulations | Understaffing | Filling of vacancies in the Building Directorate. | Copies of fines issued. | Not achieved |
| implementation of LUMS and SDF | Ensure appropriate land use and integrated development | No of identified areas demarcated | OPEX | | 6 identified areas demarcated | 2 identified areas demarcated | 0 identified areas demarcated | Non-responsiveness by Coghsta | Drawing housing chapters | 2 approved SG Diagrams. | Not achieved |
| | | No of land use applications processed. | OPEX | | 123 land use applications processed | 140 land use applications processed | 151 land use applications processed | none | none | no evidence | Not Achieved |

| Project Name | Objectives / Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-----------------------|--|---|--------|-------------|--|--|---|---|--|--|--------------|
| Land tenure upgrading | To promote planned land uses for economic growth | % of upgraded land tenure: Motetema Monsterlos Zone 11 Zenzele Zuma park | | OPEX | 10% feasibility study | 50% upgraded land tenure: Motetema Monsterlos Zone 11 Zenzele Zuma park | 11% Appointment of service provider: Motetema & Hlogotlou. | Zone 11 - Unavailability of Mapoche gronde 521 private owner. | Zone 11 - Advertise in the local & national paper for owner of Mapoche gronde 521. | Service Provider's appointment letter & progress report. | Not achieved |
| land tenure upgrading | To improve the provision planning information for economic and social growth | No. of days taken to disapprove /approve rezoning and sub-division applications | | OPEX | 90 days taken to disapprove/approve rezoning and sub-division applications | 90 days taken to disapprove/approve rezoning and sub-division applications | 150 days taken to disapprove/approve rezoning and sub-division applications | Long internal municipal systems. | Revising of the Municipal Delegation of Powers. | Application Submission Register. | Not achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|---------------|---|------------------------------------|--------|-------------|------------------------------|---------------------------|--------------------------|----------|---------------------------------|------------------------------|----------|
| local tourism | Facilitation and marketing of the local tourism | % progress on marketing of tourism | OPEX | | no branding was done for LED | 100% Marketing of tourism | 100% Brochures developed | None | None | Brouchers | Achieved |

| | | | | | | | | | | | |
|---------------------------------------|---|--------------------------------|------|--|----------------------------|-------------------------------|--|--|-------------------------|---|--------------|
| Farme r's suppo rt | Provide support to co-operatives | No of co-operative s supported | OPEX | | 8 Cooperat ives supporte d | 10 Cooperati ves supporte d | 23(5+18) cooperative s supported 5 cooperative s attended training on Tendering, Limpopo Provincial Treasury 18 cooperative attended another training on Export Awareness offered by The DTI | None | None | comprehen sive report for the business Expo | Achieved |
| LED Strate gy | To create a conducive investment environme nt | % reviewal of LED strategy | OPEX | | LED strategy in place | 100% reviewal of LED strategy | None | Insufficient capacity within the directorate | Outsource the function. | None | Not achieved |

Changes made during mid-year

1. % of township establishment in Roosenekaal:
KPI was removed as the budget is insufficient and the budget was relocated to other votes.
2. % promulgation of LUMS :
KPI was removed pending the approval of the Act.

| | |
|-----------------------------|---|
| Total number of KPIs | 9 |
| Number of KPIs achieved | 2 |
| Number of KPIs not achieved | 7 |

CORPORATE SERVICES DEPARTMENT

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|----------------------------------|--|----------------------------------|---------------|--------------------|----------------------------------|----------------------------------|--|---|--|-------------------------------------|----------------|
| Development of By-Laws | Providing and improving compliance to municipal regulatory environment | No. of By-Laws developed | | | 3 by-laws developed and gazetted | 4 by-laws developed and gazetted | 0 By-law development and approval for public participation | No By-law forwarded by departments for public participation and gazetting | Departments to forward By-laws and be available for presenting them at public participations . | no evidence | Not achieved |
| IT programmes and support | To ensure a functional web-site | % maintenance of website | | | 100% maintenance of website | 100% maintenance of website | 100% regular updates are performed and updated intime | none | none | Website register | achieved |
| | To provide systems data disaster recovery plan | % data back-up service | | | New indicator | 100% Back-up register | 100% back-up services | None | None | Backup Register | achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|----------------------------|---|--|--------|-------------|---|---|---|--|--|---|--------------|
| Human resource development | To ensure effective organisational development | No of employee trained as per WSP and ATR | OPEX | | 121 employee trained as per WSP and ATR | 130 employee trained as per WSP and ATR | 40 employees trained as per WSP and ATR | the budget was insufficient for the targeted number of employees | to stick to minimum amount of budget to accommodate the targeted number | no evidence | Not achieved |
| Human resource development | Leadership | No of leadership programmes implemented | OPEX | | New indicator | 1 leadership programme implemented | 1 leadership programme offered to EXCO members, Mayor & Chiefwhip | none | none | (List of trainees) Name of the programme | Achieved |
| Human resource development | Declaration and disclosure of interests by POB's and officials for new te | No of councillors and officials declared their financial interests | OPEX | | 41 councillors 4 employees | 60 councillors 30 employees | 2 councillors 68 employees | non-submission of forms by councillors and employees | to educate councillors and employees about the municipal code of conduct | completed forms of those who submitted | Not achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|------------------------------|--|--|--------|-------------|--|--|--|--|--|--|--------------|
| Study assistance | Provision of study assistance to employees | No. of employees provided with study assistance | | | New indicator | 5 employees provided with study assistance | 0 Employees provided with study assistance | No applications received | Notify staff about the availability of study assistance | Draft circular | Not achieved |
| Experiential learning | To assist learners to gain work experience | No. of learners assisted with working experience | | | 27 learners assisted with working experience | 10 learners to be assisted with working experience | 36 learners assisted with working experience | none | none | Confirmation letters and Indemnity forms | Achieved |
| Labour relations | To promote and maintain labour peace | No. of local labour forum held | | | 8 local labour forums held | 12 local labour forums to be held | 06 local labour forum held | Lack of facilitation of the LLF meetings | Appointment of the HOD to facilitate the seating of the meetings | Minutes and attendance register | Not achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|---|---|--|--------|-------------|---|--|--|---------------------------------------|---|--------------------------------------|--------------|
| Organisational structure | To develop and review organisational structure | % implementation of organisational structure (filling of posts and non deviation from the structure) | OPEX | | 100% implementation of organisational structure | 80% implementation of organisational structure | 20% implementation of organisational structure | Slow pace in the filling of vacancies | Speed up the recruitment, selection and appointment process | List of new appointees | Not achieved |
| Payroll | Maximise efficiency of payroll management | % accuracy on payroll information | OPEX | | 100% accuracy on payroll information | 100% accuracy on payroll information | 100% payroll final run | none | none | Monthly salary statements | Achieved |
| Policy development, review and enforcement | To ensure alignment of policies to relevant legislation | Number of corporate services policies reviewed | OPEX | | 25 corporate services policies reviewed | 5 corporate services policies reviewed | 04 policies reviewed | None | None | Copy of policies Council resolutions | Not achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|--------------------------------|--|---|--------|-------------|--|---|--|---|---|------------------------------------|--------------|
| Occupational health and safety | Effective and efficient management of workplace hazards | % minimisation of workplace hazards | OPEX | | 100% minimisation of workplace hazards | 100% minimisation of workplace hazards | 100% minimisation of workplace hazards | none | none | no evidence | Not Achieved |
| Occupational health and safety | To ensure safety of employees against hazardous substances | No of employees provided with protective clothing | OPEX | | 98 employees provided with protective clothing | 125 employees provided with protective clothing | 47 employees provided with protective clothing and safety shoes. | none | none | Purchase slip of clothing/ Invoice | Not achieved |
| Occupational health and safety | | % compliance with OHASA | OPEX | | 100% compliance with OHASA | 100% compliance with OHASA | 100% compliance with OHASA | none | none | no evidence | Not Achieved |
| Secretariat | To improve record management | % implementation of record management system | OPEX | | ERS system in place | 100% implementation of record management system | 20% implementation of record management system | Lack of Maintenance and support of the system | Availability of Budget to provide maintenance and support | None | Not achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|-------------------------|---|--|--------|-------------|---------------------------------------|---|---------------------------------------|--|---|------------------------------|--------------|
| | No. of ordinary council meetings held | No. of ordinary council meetings held | OPEX | | 4 ordinary council meetings held | 4 ordinary council meetings held | 3 Ordinary meetings held | No ordinary meeting held during fourth quarter | Persuade council to adhere to programme | no evidence | not achieved |
| Secretariat | Dissemination of Council Resolutions | No of days taken to disseminate Council resolutions to Departments after signature by MM and Speaker | OPEX | | New indicator | 14 days taken to disseminate Council resolutions to Departments after signature by MM and Speaker | none | the minutes were disseminated in July 2013. | to disseminate the minutes in time | no evidence | not achieved |
| Fleet management | To ensure effective management of fleet | No. Of fleet management reports developed | OPEX | | 12 fleet management reports developed | 12 | 12 fleet management reports developed | none | none | fleet management report | Achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|------------------|------------------------------------|---|--------|-------------|---|---|---|---|---|------------------------------|--------------|
| labour relations | To provide requisite legal support | % reduction in labour related disputes referred to the Bargaining Council | OPEX | | New indicator | 30% reduction in labour related disputes referred to the Bargaining Council | 10% reduction in labour related disputes referred to the Bargaining Council | Labour matters being attended to at a slow pace | All labour issues to be finalised at management level | Letters to embark on strike | Not achieved |
| Legal services | | % of external major cases received and resolved | OPEX | | 100% resolution of external cases received and resolved | 100% resolution of external cases received and resolved | 100% resolution of external cases received and resolved | None | None | Litigation Report | Achieved |
| Legal services | Contract development | % of request received versus preliminary drafts produced | OPEX | | 100% production of contracts | 100% production of contracts | 100% production of contracts | None | None | Draft contracts produced | Achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|----------------|------------------------|----------------------------------|----------|-------------|-----------------------------|------------------------------|----------------------------|--|--|------------------------------|--------------|
| Legal services | | No. of lease agreements reviewed | OPE X | | 0 lease agreements reviewed | 10 lease agreements reviewed | 9 Lease contracts reviewed | One contract has been negotiated with the Vliegklub pending to be approved at Council level because it is negotiated to be a nine year | Speedy presentation of the item to Council | Copies of lease contracts | Not achieved |

| Project Name | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-------------------|--|---|--------|-------------|---|---|---|--|--|---|--------------|
| customer services | To create a culture of accountability and transparency | No. of customer care surveys conducted | OPEX | | 1 survey conducted by Coghsta | 1 survey conducted by Coghsta | 0 Customer survey conducted. | the survey was conducted by COGHSTA during December 2012 and the report is still outstanding | to conduct customer satisfaction survey in house | none | not Achieved |
| | | % of responses to community complains received and resolved | OPEX | | 100% responses to community complains received and resolved | 100% responses to community complains received and resolved | 100% responses to community complains received and resolved | None | None | no evidence | Not Achieved |
| | | % Referral of service delivery queries raised | OPEX | | 100% referral of service delivery queries to | 100% referral of service delivery | 100% referral of service delivery queries to | None | None | Register of Complaints received from the Presidential | Achieved |

| Project Name | Objectives/ Strategies | Key Performance Indicator | Budget | Expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|---------------------------|--------------------------------------|--|--------|-------------|-----------------------------|-------------------------------------|---|--------------------------------|--|--------------------------------|--------------|
| | | through the Presidential and premier's hotline | | | relevant sector departments | queries to relevant sector depart | relevant sector departments | | | &Premier S Hotlines | |
| Special programmes | Provide support to designated groups | No. of support programmes to elderly. | OPEX | | New indicator | 1 Support programmes to elderly. | 1 visit to Mahlakuam atala old age home | none | none | report and pictures | Achieved |
| | Provide support to designated groups | No. of HIV initiatives | OPEX | | Aids Council | 2 HIV initiatives | 3 HIV initiatives | none | none | attendance registers | Achieved |
| | | No. of Support to youth programmes. | OPEX | | Youth council established | 2 Support to youth programmes. | 2 support to youth at masakaneng and sehlakoane | none | none | attendance register and photos | Achieved |
| | | %. of support to traditional leaders | OPEX | | New indicator | 100% support to traditional leaders | 0 support to traditional leaders | no approved programme in place | to develop the programme for the support | none | not Achieved |

| Project Name | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|----------------|--|--|--------|-------------|---------------------------------|---|---|---------------------|---------------------------------|-------------------------------|----------|
| Ward committee | To provide efficient functioning of ward | No. of modules ward committees trained on | OPEX | 31 | Only induction was conducted | 6 modules ward committees trained on | 8 modules trained on | none | none | Attendance register available | Achieved |
| Ward committee | To provide efficient functioning of ward | % support to ward committees | OPEX | 32 | 100% support to ward committees | 100% support to ward committees | 100% support to ward committees | none | none | Final run print out | Achieved |
| | | No. of ward committee's quarterly reports consolidated | OPEX | 33 | 4 reports submitted | 4 ward committee's quarterly reports consolidated | 4 ward committee reports submitted and consolidated | none | none | Quarterly Reports | Achieved |

| Project Name | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--------------|-----------------------|-------------------------------------|--------|-------------|--------------------|--------------------------------|---------------------|---|---------------------------------|-----------------------------|--------------|
| outreach es | | No. of Speakers Outreach programmes | OPEX | 34 | New indicator | 2 Speakers Outreach programmes | 0 Speakers outreach | No public participation policy in place | to develop the policy | no evidence | Not achieved |
| | | No. of Mayors outreach programmes | OPEX | 35 | 3 wards 14,18,24 | 12 Mayors outreach programmes | 0 Mayors outreach | no public participation policy in place | to develop the policy | no evidence | Not achieved |

Changes made during mid-year

1. Number of days taken in assisting users:
KIP was removed as it was not clear and measurable
2. Number of employees to be capacitated as per training plan:
KPI was changed to number of employees trained as per WSP and ATR.
3. Number of councillors to be capacitated as per training plan
KPI changed to number of leadership programmes implemented.
4. % implementation of WSP and ATR:
KPI was removed as is the duplication of number 2 and 3 above.
5. Number of officials minor cases received and resolved:
KPI changed to % reduction in labour related disputes referred to bargaining council.
6. Number of contracts reviewed:
KPI was changed to % of request received versus preliminary drafts produced.
7. Number of ward committee trained:
KPI was changed to number of modules ward committees trained on.

PERFORMANCE SUMMARY:

| | |
|-----------------------------|----|
| Total number of KPIs | 35 |
| Number of KPI's achieved | 15 |
| Number of KPIs not achieved | 20 |

COMMUNITY SERVICES DEPARTMENT

| Project | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|-----------------------|--|--|--------|-------------|--|--|--|--|--|-----------------------------|----------|
| Refuse removal | To ensure provision of sustainable refuse removal services | No. of households with access to solid waste removal | OPEX | | 9331 Groblersdal Motetemas Roossenekal | 9584 households with access to solid waste removal | 9584 households with access to solid waste removal | Ageing machinery and no recycling process584 | Initiate Recycling process and develop maintenance plan for machinery | operational plan | Achieved |
| | | Number of HH with access to free basic refuse removal at least once per week as per human settlement guideline | OPEX | | 450 Tafelkop | 2000 HH with access to free basic refuse removal at least once per week as per | 2000 HH with access to free basic refuse removal at least once per week as per | Location and few number of the Skips | Procure more skips and consensus on the location of the skips by the community | FBRR report or register | Achieved |

| Project | Objectives/Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|--|--|--|--------------|-------------|--|--|--|------------------------------------|--|-------------------------------|--------------|
| Coordination of disaster management | To ensure adequate compliance to existing norms and standard | % of emergency relief cases responded to within 24 hours | OPEX | | 50% Moutse Tafelkop Hlogotlou | 100% emergency relief cases responded to within 24 hours | 100% emergency relief cases responded to within 24 hours | none | none | Log-in forms | Achieved |
| Waste management | To ensure adequate compliance to service delivery norms and standard | % Cleaning of Permitted Disposal sites as and when required using a chain bulldozer. | R1,000000.00 | R 374 940 | 2 licensed landfill sites, Groblersdal & Roossenek1 Hlogotlou Transfer Station | 100% cleaning of permitted disposal site (10 hectares) | 30% cleaning of permitted disposal site (3hectares) | No capacity to render the service. | Procure landfill compactor for daily covering of waste Outsourcing the operationilazation and maintance of landfill site | Landfill report and or photos | Not achieved |

| Project | Objectives/Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|--|--|--|--------------|--------------|--|--|---|--------------------------------------|--|---------------------------------------|--------------|
| Upgrading of cemeteries | To ensure protected, safe and sustainable environment for the future | No. of cemeteries cleaned (cutting of grass) | R1,395272.00 | R1,395272.00 | 5 cemeteries regularly cleaned. Groblersdal Motetema Monsterlos Roossenekal Lusaka | 10 cemeteries cleaned | 5 Groblersdal Motetema Monsterlos Roossenekal Lusaka | Ageing Equipments and under staffing | Maintainance plan for equipments and appoint personnel | Cemetery Maintenance operational plan | Not achieved |
| Coordination of disaster management | | No. of Environmental Awareness and Cleaning Campaigns held | OPEX | | Three Environmental Awareness and Cleaning Campaigns | 5 environmental awareness campaigns held | 3 environmental campaigns held (1 x Tafelkop and 2x Elandsdorn) | no response from community members | Establish environmental advisory Forums to educate the community | Photos | Not achieved |

| Project | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/ evidence | Outcome |
|--------------------------------|--|--|--------------|--------------|-----------------------------|---|---|---------------------|---------------------------------|---------------------------------|----------|
| Recreational facilities | To ensure provision of parks | No. of parks and open spaces maintained | R1,395292.00 | R1,395292.00 | 2 Hoep-Hoep & Hans Abraham | 5 parks and open spaces maintained | 6 Times | none | none | Parks maintenance register | Achieved |
| | To promote and support local sports activities | No. of stadia maintained/cleaned | OPEX | | 3 stadia maintained/cleaned | 4 Stadia – maintained Hlogotlou, Tafelkop, | 4 Stadia – maintained Hlogotlou, Tafelkop, Groblersd | none | none | Stadia maintenance register | Achieved |
| Indigen | To promote social partnerships towards community empowerment | % Signing of Happy Letters as per completed houses in the 2012/2013 Housing Allocation | OPEX | | New indicator | 100% Signing of Happy Letters as per completed houses in the 2012/2013 Housing Allocation | 100 % happy letters signed | None | None | Happy letters register | Achieved |

| Project | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|-----------|--|---|-------------|-------------|--|---|---|---|--|------------------------------------|--------------|
| indigents | To promote social partnerships towards community empowerment | % update of indigent register | OPEX | | Approved indigent register (6207) | 100% updated indigent register | 18 % (1131) Indigent configured by ESKOM | Beneficiaries sharing same stand number ESKOM configuration process. Budgetary Constraints. Personnel | Re-registration of the existing indigents. ESKOM to discontinue their list and accept the new list. Extend the FBS to other services | Updated Configured List from ESKOM | Not achieved |
| | | No. of learners awarded Mayor's Bursary Fund as per Bursary fund policy | R150 000.00 | R121 590.00 | 41 learners received Registrati on Fee to be enrolled in SA accredited institution | 60 learners to be provided with Mayors bursary fund | 37 learners provided with Mayors bursary fund | Most of the learner did not submit supporting documents | Organise career guidance week and to advertise the assistant programme on different media | List of beneficiarie s | Not achieved |

| Project | Objectives/Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|-----------------------|--|---|----------|-------------|-------------------------------------|---|---|---------------------|---------------------------------|-----------------------------|----------|
| Traffic and licensing | To conduct effective arrive alive campaigns to reduce road accidents | No. of Arrive Alive campaigns conducted | R5345684 | R5345684 | 24 Easter holiday festive season | 24 Arrive Alive campaigns conducted | 26 Arrive Alive campaigns conducted | None | None | Operational Plan | Achieved |
| | To ensure revenue enhancement in traffic and licensing | % L/L Applications received vs. application attended. | R3948000 | R3948000 | Grade A DLTC | 100% Applications received vs. applications attended. | 100 % Applications received vs. application attended. | none | none | E-natis Report | Achieved |

| Project | Objectives/Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|---------------------------|--|---|----------|--------------|--|--|--|-----------------------------|---------------------------------|-----------------------------|--------------|
| | | % of D/L application received vs. attended. | R3948000 | R3948000 | Grade A DLTC | 100% D/L application received vs. attended | 100 % D/L application received vs. attended | none | none | E-natis report | Achieved |
| Library facilities | To enhance education through the provision of educational facilities | No. of people visiting and utilising our library. | R1097516 | R1097516 | 16 000 Groblersdal Roossenekal library | 21000 people visiting and utilising our library. | 19200 people visiting and utilising our library. | the target was overtargeted | to put achievable target | Quarterly library report | Not achieved |
| refuse trucks | To ensure better service delivery | No. of refuse trucks purchased | R1500000 | R 988 548.50 | 6 Refuse Trucks purchased | 1 refuse trucks purchased | 1 refuse trucks purchased | None | None | Asset register | Achieved |

| Project | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement source/evidence | Outcome |
|--------------|-----------------------------------|---------------------------|------------|-------------|--------------------|-------------------------|--------------------|---------------------|---------------------------------|-----------------------------|----------|
| Skips | To ensure better service delivery | No. of skips purchased | R200000.00 | R112 180.00 | 20 skips purchased | 8 skips to be purchased | 10 skips purchased | None | None | Asset register | Achieved |

Changes made during mid-year

1. Number of household with access to basic refuse removal at least once per week:
KPI was changed to number of household with access to free basic refuse removal at least once per week as per human settlement guideline.
2. Number of households in township with access to solid waste removal
The annual target was changed from 11731 to 9584.
3. % maintenance of cells at the landfill site:
KPI changed to % cleaning of permitted disposal sites as and when required using a chain bulldozer.
4. % services on call at all clients and weekly removals from RWMand policy development.
KPI was removed
5. % increase in registered indigents:
KPI changed to % signing of happy letters as per completed houses in the 2012/2013 housing allocation.
6. % construction of DLTC:
KPI was removed.
7. Number of license vehicle to be leased.
KPI was removed.
8. Number or arrive alive campaigns initiated:
The KPI was changed to number of arrive alive campaigns conducted.
9. Number of lawnmowers kudas purchased:
KPI was removed.

PERFORMANCE SUMMARY:

| | |
|-----------------------------|----|
| Total number of KPIs | 17 |
| Number of KPI's achieved | 11 |
| Number of KPIs not achieved | 6 |

INFRASTRUCTURE DEPARTMENT

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--------------------|--|---|---------------|--------------------|-----------------------------|---|------------------------------|--|--|------------------------------------|----------------|
| electricity | Facilitation for the provision of FBE indigents families | No. of households accessing FBE | R350 000.00 | R 270 000.00 | 900 indigents benefited FBE | 1000 households accessing FBE | 800 households accessing FBE | The configured list was including indigents outside our jurisdiction area. | The configured list was corrected and only caters for our indigents. | Eskom FBE report | Not achieved |
| electricity | To support initiatives to improve service delivery. | %Monitoring of the functionality of the smart metering project in Roossenekal | OPEX | | New Indicator | 100% functionality and revenue collection | 100% functional | None | none | Statistical report on vending | achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--|---|---|--------|-------------|--|---|---|--|---------------------------------|--------------------------------|-------------------------------|
| Electricity | To support initiatives to improve service delivery. | % Reduction of illegal electricity connections | OPEX | | Inspections conducted and System Inspections reports | 100% Reduction of illegal electricity connections | 100% Reduction of illegal electricity connections | None | None | report of metering statistics | Achieved |
| | | % Reduction of unaccounted electricity (losses) | | | OPEX | Bulk monitoring meters, Installation of smart meters. | 5% Reduction of unaccounted electricity (losses) | 5% Reduction of unaccounted electricity (losses) | None | None | report of metering statistics |
| Maintenance of street lights, High mast lights, Tr | To ensure sustainable services to the community | No. of street lights repaired and maintained | OPE | | New indicator | 0 (As and when Necessary to repair and ma | 95 street lights repaired and maintained | None | None | electricity maintenance report | achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-----------------------------------|--|---|--------|-------------|-----------------|--|--|---------------------|---------------------------------|--|--------------|
| | | No. of high mast lights repaired and maintained | OPEX | R0.00 | New indicator | 0 (As and when Necessary to repair and maintain) | 0 high mast lights repaired and maintained | None | None | Manager electricity maintenance report | Not achieved |
| | | No. of traffic lights repaired and maintained | OPEX | | New indicator | 5 repaired and maintained | 7 traffic lights maintained | None | None | Manager electricity maintenance report | Achieved |
| Road Regraveling Programme | To ensure safe and accessible roads to communities | No. of kilometres of gravel roads constructed. | OPEX | R0.00 | 0KM Regraveling | 20km regravelled and maintained roads | 21.3km regravelled and maintained | None | None | quarterly report | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---|---|--|---------------|-------------|---------------|--|---|---|--|---|--------------|
| transport master plan | To control and manage transport within the municipal area | % development of transport master plan | R1,000,000.00 | R 0.00 | New indicator | 100% development of transport master plan | Adjudication stage | Delays in appointment of service provider | To fast track appointment of service provider | Report from adjudication | Not achieved |
| Storm water maintenance through internal staff | To ensure safe and accessible roads to communities | No. of km completed on Storm water channel , culvert /outlet cleaning and repair. No. of manhole lids replaced | R 15,000.00 | R 15,000.00 | New indicator | 10 km of completed on Storm water channel, culvert /outlet cleaning and repair. No. of manhole lids replaced | 230m of storm water channells cleaned and repairs | Insufficient resources and budget | To fast track appointments and availing of funds | Manager Roads Drainage quarterly report | Not achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---|--|---|---------------|----------------|-------------------|---|------------------------------------|---------------------|---------------------------------|-----------------------------|----------|
| Road rehabilitation and patch work | To ensure safe and accessible roads to communities | No. of m ² patching and potholes repairs | OPEX | R0.00 | New indicator | 500m ² Repairs on patchwork & potholes | 792m ² pot hole repairs | none | none | quarterly report | Achieved |
| Safety of roads on road signs | To ensure safe and accessible roads to communities | No. of road signs replaced and maintained | OPEX | R 250,000.00 | New indicator | 0 (As and when Necessarily to repair and maintain) | 26 road signs replaced | none | None | quarterly report | achieved |
| Moteti St Joseph bus road | To ensure better service delivery | No. of kilometres constructed | R2,000 000.00 | R 2,000,000.00 | 4.5Km constructed | 350m constructed | 350m completed | None | None | completion certificate | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---|-----------------------------------|--|----------------|-----------------|--------------------|-------------------------|------------------------|---------------------|--|-----------------------------|--------------|
| Nyakelang public route upgrade phase 3 | To ensure better service delivery | No. of kilometres constructed | R11 792 374.96 | R 11 792 374.96 | 1.2 km constructed | 2,1km constructed | 2,1km completed | None | None | completion certificate | Achieved |
| Tourism Information centre | To ensure better service delivery | % completed on Tourism centre | R 0.00 | R 0.00 | New project | complete Tourism centre | 5% Foundation was done | Funding for labour | Project to be implemented in the coming financial year using EPWP incentives | Progress report. | Not achieved |
| Roads to Magoshi | To ensure better service delivery | Completion of Designs for Road to Magoshis | R1,500 000.00 | R1,500 000.00 | New project | 2.5km constructed | 2,5km Design completed | None | None | Design report | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--|-----------------------------------|---|----------------|-----------------|--------------------------------------|-----------------------|-----------------------|-----------------------------|--|-----------------------------|--------------|
| Zaaiplaas road (police station road) phase 3 | To ensure better service delivery | No. of kilometres constructed | R5,665 000.00 | R 5 648 947.40 | 2km constructed | 1.3km constructed | 1.3km road completed | None | None | completion certificate | Achieved |
| Ramogwane phase 5 | To ensure better service delivery | No. of kilometres constructed | R19,277 000.00 | R 19,277 000.00 | 3km constructed | 4.5km constructed | 4.5 km road completed | Storm water channels delays | The contractor is given until 31 July 2013 | Progress report | Not achieved |
| Install of service stand 885 | To ensure better service delivery | No. of stands installed with municipal services at stand no 885 installation of (electricity) | R2,500 000.00 | R 2 030 900.00 | Water & sanitation and road services | 17 stands serviced | 17 stands serviced | None | None | completion certificate | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--|-----------------------------------|--|----------------|----------------|-----------------------------|---|------------------------------|---------------------|--|-----------------------------|--------------|
| Construction/building of municipal offices | To ensure better service delivery | % progress of extension of mobile offices within the main office | R 1,000,000.00 | R0.00 | New project | 100% progress of extension of mobile offices within the main office | 0% Tender advertised | No qualified bidder | The project will be implemented next financial year. | Advertisement report | Not achieved |
| 2011/2012 ROLLED OVER PROJECTS | | | | | | | | | | | |
| Moteti A upgrading of bus road Ph 1 | To ensure better service delivery | 100% progress of the project | R3,659,092.11 | R 3,481,612.80 | 90% progress of the project | 10% progress of the project | 100% progress of the project | None | None | Completion certificate | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---|-----------------------------------|---------------------------|----------------|----------------|-----------------------------|----------------------------|------------------------------|---------------------|---------------------------------|-----------------------------|----------|
| Moteti C2 upgrading of bus route Ph2 | To ensure better service delivery | % progress of the project | R 1,627,556.95 | R 1,607,413.26 | 95% progress of the project | 5% progress of the project | 100% progress of the project | None | None | Completion certificate | Achieved |
| Monsterlus to Mmakgopheng 2.5km road Ph3 | To ensure better service delivery | % progress of the project | R555,048.68 | R 434,625.00 | 98% progress of the project | 2% progress of the project | 100% progress of the project | None | None | Completion certificate | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--|-----------------------------------|---------------------------|---------------|----------------|-----------------------------|----------------------------|------------------------------|---------------------|---------------------------------|-----------------------------|----------|
| Ramogwerane to Nkadime ng road Ph4 | To ensure better service delivery | % progress of the project | R1,321,280.02 | R 1,057,382.84 | 91% progress of the project | 9% progress of the project | 100% progress of the project | None | None | Completion certificate | Achieved |
| Hlogotlo u refurbishment and construction of stormwater drainage system Ph2 | To ensure better service delivery | % progress of the project | R 364,098.30 | R 350,137.02 | 98% progress of the project | 2% progress of the project | 100% progress of the project | None | None | Completion certificate | Achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | Expenditure | Baseline | Annual Target (12/13) | Actual performance | Reason for Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|------------------------------------|-----------------------------------|---------------------------|-------------|----------------|-----------------------------|-----------------------------|------------------------------|---------------------|---------------------------------|-----------------------------|----------|
| Installation of services stand 885 | To ensure better service delivery | % progress of the project | R1968984.03 | R 1,968,984.03 | 30% progress of the project | 70% progress of the project | 100% progress of the project | None | None | Completion certificate | Achieved |

| project | Objectives/Strategies | Key Performance Indicator | Budget | expenditure | Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---------|--|---------------------------------|-----------------|-------------|------------------|-------------------------------|-------------------------------|--|---|---------------------------------|--------------|
| EPWP | To improve job creation through Service Delivery Projects. | No. of job created through EPWP | R 44,911,800.00 | | 444 jobs created | 500 jobs created through EPWP | 371 jobs created through EPWP | In house projects were withdrawn from the Budget and have negative impact on job opo | To over commit on projects regarding labour | EPWP Annual job creation report | Not achieved |

| project | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|---------|---------------------------|---|---------------|---------------|-------------------|--------------------------------------|--------------------|----------|---------------------------------|---------------------------------|----------|
| EPWP | To ensure EPWP spending | R amount claimed on EPWP incentive grants | R1,000,000.00 | R1,000,000.00 | R. amount claimed | R1m claimed on EPWP incentive grants | R1m claimed | none | none | EPWP Annual Transfer report | Achieved |

| project | Objectives/ Strategies | Key Performance Indicator | Budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-----------------------|---|---------------------------|----------------|-----------------|--------------------|------------------------------|--------------------|--|---------------------------------------|---------------------------------|--------------|
| MIG spending | To ensure MIG funding is spent as per commitments | % Spending on MIG funds | R35,306,000.00 | R 25,862,935.18 | 100% MIG spent | 100% Spending on MIG funds | 100% MIG spent | None | None | MIG annual Expenditure report | achieved |
| CAPEX spending | To ensure CAPEX funding is spent as per commitments | % Spending on CAPEX funds | R 9,688,800.00 | R 793 871.32 | 100% CAPEX spent | 100% Spending on CAPEX funds | 82% CAPEX spent | two projects have delays on appointments | carry over to the next financial year | CAPEX annual Expenditure report | not achieved |

Changes made during mid-year

1. Number of FBE applications processed:
KPI was removed.
2. Number of smart electricity meters installed in Groblersdal:
KPI changed to % monitoring of the functionality of the smart metering project in Roosenekaal
3. Number of households to be electrified:
KIP was removed.
4. Number of street lights repaired and maintained:
New KPI
5. Number of high mast lights repaired and maintained:
New KPI
6. Number of traffic lights repaired and maintained:
New KPI
7. Number of km completed on storm water channel, culvet/outlet cleaning and replaced
New KPI
8. Number of m² patching and pothole repairs:
New KPI.
9. Number of road signs replaced and maintained:
New KPI
10. Moteti St Joseph bus road:
The annual target was changed from 4.5km to 600m.
11. The following capital projects were removed due to budget constraints:
 - a. Mogaung bus route
 - b. Kgaphamadi bus route
 - c. Groblersdal internal roads
 - d. Motetema street phase 2
12. Nyakelang public route:
The annual target was changed from 2.7km to 2.1km

PERFORMANCE SUMMARY:

| | |
|-----------------------------|----|
| Total number of KPIs | 30 |
| Number of KPI's achieved | 21 |
| Number of KPIs not achieved | 9 |

STRATEGIC MANAGEMENT

| project | Objective s/ Strategie s | Key Performa nce Indicator | KP I no | 2011/2012 Baseline | Annual Target (12/13) | Actual performanc e | Variance | Measures to improve performan ce | Measuremen t Source/ Evidence | Outcome |
|------------|---|--|---------|--|--|---|--|--|----------------------------------|--------------|
| PMS | to ensure proper planning, monitoring and review of organisati onal and individual performan ce | No of Performan ce Assessme nt reports compiled. | 1 | 4 2010-11 annual performance assessment, 1 st quarter assessment, Mid-year assessment. 2 nd quarter assessment, 3 rd quarter assessment | 4 performanc e assessment report | 4 fourth quarter report in place | none | none | Fourth quarter report. | Achieved |
| | | % developm ent of SDBIP | 2 | 2012/2013 SDBIP in place | 100% developmen t of 2013-14 SDBIP | 2013-14 SDBIP approved by council | none | none | approved 2013-14 SDBIP | Achieved |
| PMS | to ensure proper planning, monitoring and review of organisati | No of signed performan ce agreemen ts for section 56 | 3 | Six Signed performance agreement. | 7 performanc e agreements to be signed | 6 signed performance agreement in place | the post for Director Corporate Services has been vacant for | to fill the post for Director Corporate Services | 6 signed performance agreement | Not achieved |

| project | Objective s/ Strategie s | Key Performa nce Indicator | KP I no | 2011/2012 Baseline | Annual Target (12/13) | Actual performanc e | Variance | Measures to improve performan ce | Measuremen t Source/ Evidence | Outcome |
|------------|--|--|---------------|--|--|---|-------------------|---|--|----------|
| | onal and individual performa | managers | | | | | the whole year | | | |
| PMS | to promote institution al accountab ility and complianc e | % progress of annual report | 4 | 2010/2011 annual report in place | 100% progress of annual report | 100% 2011/2012 annual report approved by council | none | none | council resolution | Achieved |
| IDP | to ensure adoption of IDP/ Budget within the prescribed legal framewor | % complianc e with the legal timeframe | 5 | IDP / Budget adopted within timeframe | 100% 2013/14 IDP approved by council | 100% 2013/2014 IDP approved by council | none | none | council resolution | Achieved |
| IDP | to ensure adoption of IDP/ Budget within the prescribed legal framework | % of. Progress on the implement ation of IDP process plan | 6 | 100% implementati on of 2013/2014 process plan | 100% 2013/14 IDP approved by council | 100% process plan implemented | none | none | approved 2013/2014 IDP process plan | Achieved |

| project | Objective s/ Strategie s | Key Performa nce Indicator | KP I no | 2011/2012 Baseline | Annual Target (12/13) | Actual performanc e | Variance | Measures to improve performan ce | Measuremen t Source/ Evidence | Outcome |
|------------|--|---|---------------|---|---|--------------------------------------|----------|---|--------------------------------------|----------|
| IDP | to ensure adoption of IDP/ Budget within the prescribed legal framewor | % complianc e to MEC' credible IDP rating | 7 | Low IDP rating | 100% Credible IDP rating | 100% 2012/2013 IDP rated high by MEC | None | none | 2012/2013 Credible IDP | Achieved |
| IDP | | No of IDP/Budg et public sessions held | 8 | 34 community participation s meeting held | 34 community participation s meeting held | 54 public participation held | none | none | Invitations and attendance registers | Achieved |

Changes made during mid-year

1. Number of performance assessment held for section 56 managers :
KPI was changed to number of performance assessment reports compiled.
2. Number of performance reports submitted to other spheres of Government:
KPI was removed
3. Number of line managers who signed activity plans:
KPI was removed

PERFORMANCE SUMMARY:

| | |
|-----------------------------|---|
| Total number of KPIs | 8 |
| Number of KPI's achieved | 7 |
| Number of KPIs not achieved | 1 |

BUDGET AND TREASURY DEPARTMENT

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---------------------|------------------------------------|---|--------|-------------|---|---|--|---|---|---|--------------|
| revenue enhancement | to foster financial sustainability | % increase of revenue collection on consumers as per budget | OPEX | | 90% increase of revenue collection on consumers as per budget | 95% increase of revenue collection on consumers as per budget | 63.7% Consumer as per budget =R89.9m Payment received (actual) =R57.3m 57.3/89.9 = 63.7% | 31,3% The enforcement of credit controls in townships especially for none payment debtors from Townships 95% - 63,7% = 31,3% | To conduct Workshops/Roadshows to consumers in townships to encourage them to pay for services rendered by the municipality. 2. Reviewing of credit policy(finalising bargaining negotiations and implement for councillors debt; SSME") | Monthly Billing Report and Payment report | Not achieved |

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|--|--|----------------------------------|--------|-------------|-----------------------------------|---|--|---|---|---|--------------|
| | | % accurate and complete billing. | OPEX | | 60% accurate and complete billing | 100% Data cleansing on all consumers on the system. | 80% (1400 farm properties information collected) | 1. Certain property not promulgated 2. Properties identified in the valuation roll as unknowns (not Title Deeds) | 1. Create a Zero Tarrif for Unknowns and promulgated properties for Completeness of Revenue 2. Maximum participation in the IGR Forum. | Monthly recon Valuation Roll | Not achieved |
| assets and inventory management | Ensure compliance of assets management as per GRAP17 | % compliance to assets standard | OPEX | | 0,9:1 ratio | 2:1 (On AFS compare Current Assets to Current Liabilities) | 2:1 (2.59:1 Current Assets (R100 640 163): Current Liabilities (R38 797 851)) | None | None | 2:1 quarterly Financial Statement compare Current Assets to Current Liabilities | Achieved |

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-----------------------------------|--|---|--------|-------------|---|---|--|--|---|---------------------------------|--------------|
| | | % compliance of GRAP 17 | OPE X | | 100% Unbundling of assets | 100% Unbundling of assets | 90% | Verifying of all investment property | Asset verification in progress | Asset Register | Not achieved |
| | | Calculation on depreciation on Municipal Assets Quarterly | OPE X | | 4 Depreciation calculation done on assets | 0 Depreciation calculation done on assets | 4 Depreciation calculation done on assets | None | None | Quarterly FS | achieved |
| property rates | Ensure credible valuation roll by 30 June 2012 | % implementation of valuation roll. | OPE X | | Valuation Roll in place | 100% implementation of valuation roll. | The valuation roll is fully implemented. | None | None | Valuation Roll Implemented | Achieved |
| credit and debt management | To improve credit and debt management | % payment/collection rate | OPE X | | 73% payment/collection rate | 95% payment/collection rate | 89.4% Total revenue budgeted = R278.8m Actual revenue received =R249.4m 249.4/278.8 =89.4% | The credit control policy had gaps on late payment or none payment of debtors. | 1. Review of policy. 2. Monthly monitoring the collection rate per Debtors category. | Age analysis compare to monthly | Not achieved |

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-----------------------------------|---------------------------------------|--|----------|-------------|---------------------------------------|--|--|--|--|-----------------------------|--------------|
| credit and debt management | To improve credit and debt management | R amount of outstanding debtors recovered /hand over | OPE X | | R22m of outstanding debtors recovered | R11m of outstanding debtors recovered /hand over | R10.08m 1. Debt collectors R974,275 2. Bumazi R1.38m 3. Sekhukhune Dist. Municipality R4.4m 4. Department losses R3.4 TOTAL R10.08m | The credit control policy had gaps on late payment or none payment of debtors. | 1. Review of policy. 2. Monthly monitoring the collection rate per Debtors category. | Cut-off List collected | Not achieved |
| credit and debt management | To improve credit and debt management | R amount of the Debtors Book written-off | OPE X | | R 1,5m debtors book written - off | R1m of the Debtors Book written-off | Item to be written to the council | Inactive accounts(Deceased account holders, liquidated companies etc) | 1. 90 days plus are handed over to the debt collectors 2. Verification inactive accounts and write- | Debt collectors report | Not achieved |

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-------------------------|--------------------------------------|---|--------|-------------|--|--|--|----------|---------------------------------|-----------------------------|----------|
| supply chain management | Ensure compliance to SCM regulations | No of invitations(newspaper adverts) to vendors to register on mun databas | OPE X | | One advert per annum | 2 advert to be published on newspaper | 2 advert to be published on newspaper | None | None | Advert | Achieved |
| supply chain management | Ensure compliance to SCM regulations | % total rand value of all procurement services(R30 000 and more)allocated to BEE service providers | OPE X | | 30% tenders were awarded to SMME's | 30% tenders were awarded to SMME's | 77% tenders were awarded to SMME's | None | None | SCM report | Achieved |
| supply chain management | Ensure compliance to SCM regulations | % total rand value of all procurement services through quotation system of goods below(R30 000)allocated to EMLM | OPE X | | 20% total rand value of all procurement services through quotation | 20% total rand value of all procurement services through quotation | 33% total rand value of all procurement services through quotation | None | None | SCM report | Achieved |

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/ Evidence | Outcome |
|-----------------|---|---|--------|-------------|--------------------------------|------------------------------------|--------------------------------|----------|---------------------------------|------------------------------|----------|
| | | based service providers | | | | | | | | | |
| | | No of SCM reports submitted | OPE X | | 4 quarterly reports | 4 quarterly reports | 4 quarterly reports | None | None | Reports to Council | Achieved |
| | | No. Of stores stock count conducted | OPE X | | 4 quarterly stock count report | 4 quarterly stock count report | 4 quarterly stock count report | None | None | Reports to Council | Achieved |
| budget | To ensure budget is implemented as per approval | No of monthly budget reports compiled on variance and remedial action by department | OPE X | | 12 section 71 reports in place | 12 section 71 reports | 12 section 71 reports | None | None | Section 71 Reports | Achieved |
| policies | To ensure alignment of policies to relevant legislation | No of finance policies and strategies reviewed | OPE X | | 10 finance policies reviewed | 10 finance policies to be reviewed | 10 finance policies reviewed | None | None | council resolutions | achieved |

| project | Objectives / Strategies | Key Performance Indicator | budget | expenditure | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|-----------------------------------|--------------------------------------|--|----------|-------------|--|--------------------------------------|--------------------------------------|----------|---------------------------------|--------------------------------|----------|
| MFMA implementation | Ensure compliance to MFMA regulation | % compliance with MFMA regulation | OPE X | | 100% section 71 & 66 reports | 100% compliance with MFMA regulation | 100% compliance with MFMA regulation | None | None | Section 71 & 66 Reports | Achieved |
| Annual financial statement | To ensure compliance with MFMA | % preparation of annual financial statements | OPE X | | AFS Signed-off by the Accounting Officer and submitted to AG | 100% 31 August 2012 | AFS submitted to Auditor General | None | None | Letter of confirmation from AG | Achieved |

Changes made during mid-year

1. % update of municipal database :
KPI was changed to number of invitations to vendors to register on municipal database.
2. % tenders awarded to SMME'S :
KPI was changed to % total rand value of all procurement services allocated to BEE services.
3. % monitoring of budget :
KPI was changed to number of monthly budget reports compiled on variance and remedial action by departments
4. % total rand value of all procurement services through quotation system of goods below(R30 000)allocated to EMLM based service providers: New KPI
5. % compliance with GRAP 17 :
New KPI
6. Calculation on depreciation on municipal assets quarterly:
New KPI
7. % total rand value of all procurement services (R30 000.00) allocated to BEE service providers :
New KPI

PERFORMANCE SUMMARY:

| | |
|-----------------------------|----|
| Total number of KPIs | 18 |
| Number of KPI's achieved | 12 |
| Number of KPIs not achieved | 6 |

MUNICIPAL MANAGER'S OFFICE

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | KPI no | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|------------------------------------|---|---|---------------|---------------|-----------------------------|--|--|---|--|------------------------------------|----------------|
| Internal and external audit | To provide effective coordination of Internal Audit Processes | No. Of internal audit report submitted to municipal manager | | 1 | 4 quarterly reports | 4 internal audit report submitted to municipal manager | 8 reports submitted to municipal manager | none | none | reports | achieved |
| audit committee | To maximise and enhance oversight functions | No. of audit committee reports submitted to council | | 2 | No audit committee in place | 4 audit committee reports submitted to council | 1 audit committee reports submitted to council | reports were delayed to be submitted to council | to submit the reports in time | none | not achieved |
| Risk management | To minimise fraud and corruption | No. of reports for risk identified | | 3 | New indicator | 4 reports for risk identified | 2 reports for risk identified | risk register was approved late in October a | to ensure that the risk register is approved in the last | none | not achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | KPI no | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|----------------------|----------------------------------|---|--------|--------|-----------------------------|---|--|---|--|-----------------------------|--------------|
| | | | | | | | | | quarter | | |
| | | % reduction of risk identified per Directorate | | 4 | New indicator | 100% reduction of risk identified per Directorate | 50% of risk identified controlled | 50% of risks identified not resolved by directorates | Continuous monitoring of risk registers | none | not achieved |
| | | % implementation of fraud and anti corruption policy | | 5 | policy in place | 100% implementation of fraud and anti corruption policy | 0 implementation of fraud and anti corruption policy | the policy was outdated and it was reviewed. It is awaiting council approval. | to submit the strategy to council for approval | none | not achieved |
| audit opinion | to ensure improved audit opinion | % reduction of matters raised by AG and non recurrence of | | 6 | qualification audit opinion | 100% unqualified audit opinion | 80% audit action plan completed | 20% of issues are still in progress | to engage departments with outstanding information | none | not achieved |

| PROJECT | Objectives/Strategies | Key Performance Indicator | Budget | KPI no | 2011/2012 Baseline | Annual Target (12/13) | Actual performance | Variance | Measures to improve performance | Measurement Source/Evidence | Outcome |
|---------|-----------------------|---------------------------|--------|--------|--------------------|-----------------------|--------------------|----------|---------------------------------|-----------------------------|---------|
| | | matters raised | | | | | | | | | |

PERFORMANCE SUMMARY:

| | |
|-----------------------------|---|
| Total number of KPIs | 6 |
| Number of KPI's achieved | 1 |
| Number of KPIs not achieved | 5 |

INSTITUTIONAL PERFORMANCE:

| | |
|-----------------------------|-----|
| Total number of KPIs | 123 |
| Number of KPI's achieved | 69 |
| Number of KPIs not achieved | 54 |

SERVICE PROVIDER'S PERFORMANCE

| Service Provider | Service provided to municipality | Budget | Expenditure | performance Assessment |
|--|---|---|-------------|------------------------|
| G4 Fidelity | Cash services | R5842.20 pm | R72 728.00 | good |
| Vodacom | cell phones and data cards | As per monthly billing (recoverable from users) | | good |
| BongileMashumi CC | Supply and Delivery of Cartridges and Tones for 36 Months | As per Tender Rates: As and when Required | | good |
| Mmirah Events and Functions | Supply and Delivery of Cleaning Materials and tools | As per Tender Rates: As and when Required | | good |
| Uniquenco | Compilation of Valuation Roll 2012 Till 2016 | R 3 350 000 | R910 257.00 | good |
| Redumeletswe Construction and Projects | Supply and Delivery of Red and Black Refuse Bags | As per Tender Rates: As and when Required | | good |
| Ipes Utility Management services | Debt Collection | Fixed Collection commission fee of 17%. | | good |
| Edith Construction | Supply and Delivery Of Diesel and Petrol | As per Tender Rates: As and when Required | | good |
| Lungisha Trading 88cc | Supply of Cold Ashpalt | as per the tender rates | | good |
| JMV Orthosmart Consulting | Upgrading Of Bus Route At Mathula Stand Village | As per the rates of ECSA | | good |
| Tshashu Consulting | Upgrading of Bus Route At Moteti C1 | As per the rates of ECSA | | good |

| Service Provider | Service provided to municipality | Budget | Expenditure | performance Assessment |
|--|--|--|---------------|------------------------|
| SKY High Consulting | Upgrading Of Bus Route (8.5km) from gravel To Surfaced (Asphalt) Road and Storm Water Controls At Kgaphamadi Village | As per the rates of ECSA | | good |
| MTP Instrastructure Resources | Upgrading of Kgaphamadi road at Mogaung village | As per the rates of ECSA | | good |
| T2 Tech Consulting Engineers | Upgrading Of Motetema Internal Streets PH2 | As per the rates of ECSA | | good |
| Onboard Consulting Engineers (PTY) LTD | Upgrading Of JJ Road At Zaaiplaas Village | As per the rates of ECSA | | good |
| Maredi Telecoms and Broadcasting | Supply and Install Smart Metering In Groblersdal and Roosenekaal | As per the Rates per Connection | | good |
| Tlou Integrated Tech | Consultant For Magoshi Roads | R 589 809.07 | | good |
| Makgonatsohle Trading | Mechanical Repairs of Municipal Heavy Machinery and Reactive Maintenance | R1 500 000.00 | R1 748 522.00 | good |
| BapediBopedi Projects cc | Standardization Of Projects and Contract Documentation and PMU Services | Max 5% Capital Budget | | good |
| Kuyalunga Traffic Solutions (PTY) LTD | Leasing of Two Red Light and Speed Violation Cameras | R447 440.00 per Year R650 per hour expert rate R3.75 per | | good |

| Service Provider | Service provided to municipality | Budget | Expenditure | performance Assessment |
|----------------------------------|---|---|----------------|------------------------|
| | | kilometers | | |
| Rachoshi Chemical and Supplies | Refuse Removal | R 220 000 (per month) | R 264 0000 | good |
| Vision Print | Printing Works For EMLM | R 3 322 760.20 Rates only(as and when the service is required) | | good |
| Fawcett Security Services | Provision of Security Services | R29 1669.00 | R 5 819 814.00 | good |
| Ricoh Mpumalanga | Leasing Of Photocopying Machines | | R538 618.04 | fair |
| Lateral Unison Insurance Brokers | Short-Term Insurance | R 473 660.00 | R334837.87 | good |
| Odirile IT Holdings | Provision Of ICT Networks and Support and Maintenance | R 5 700 000.00 | R 2031825.30 | good |
| Nashua Mobile | Tele-Communication Services | R 32 261.00 (Per month) | R387132 | good |
| Naspoti J&M Security Solutions | Supply and Installation of Alarm systems | R 542 521.44 | R65 077.10 | fair |
| munusoft | financial software | as per service level agreement | R5 113 571.00 | good |
| Nomfundo Consult-Africa | Moteti St Joseph bus road | R2,000 000.00 | R 250,000.00 | good |
| MtemaMashao Consulting Engineers | Nyakelang public route upgrade phase 3 | R11 792 374.96 | R11 792 374.96 | good |
| Tlou Integrated Tech | Roads to Magoshi | R1,500 000.00 | R1,500 000.00 | good |

| Service Provider | Service provided to municipality | Budget | Expenditure | performance Assessment |
|--|--|----------------|--------------------|-------------------------------|
| Sky High Consulting engineers | Zaaiplaas road (police station road) phase 3 | R5,665 000.00 | R 5 648 947.40 | good |
| Monde Consulting Engineers | Ramogwerane phase 5 | R19,277 000.00 | R19,277 000.00 | good |
| JV Kipp Consulting Engineers, Patrick Makgoka Construction | Install of service stand 885 | R2,500 000.00 | R 2 030 900.00 | good |

4 COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1 Employees totals, Turnover and Vacancies

Vacant posts are advertised in the national print media and on the municipal website. Most internal staff does not apply for senior posts because of lack of experience and/or not meeting the minimum qualifications required for the post. The municipality assists officials by enrolling them at accredited institutions for capacity building, so that they can meet the requirements of advertised senior posts in future. The post for Director Planning and Director Corporate Services remained vacant.

| Employees: Human Resource Services | | | | |
|---|----------------|------------------|---|--|
| Job Level (task grades) | 2012/13 | | | |
| | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | % |
| 0 – 3 | | | | |
| 4 – 6 | | | | |
| 7 – 9 | | | | |
| 10 – 12 | 05 | 05 | 0 | 0% |
| 13 – 15 | 01 | 01 | 0 | 0% |
| 16 – 18 | | | | |
| 19 – 20 | | | | |
| Total | 06 | 06 | 0 | 0% |

| Employees | | | | | |
|---------------------------------------|------------------------|---------------------------|-----------------------|-----------------------|-----------------|
| Description | 2011/12 | 2012/13 | | | |
| | Employee es | Approved Posts | Employee s | vacancie s | Variance |
| | No. | No. | No. | No. | % |
| Electricity | 13 | 16 | 13 | 3 | 19% |
| Roads | 22 | 42 | 31 | 11 | 5% |
| Transport | 1 | 1 | 1 | 0 | 0% |
| Planning | 9 | 5 | 3 | 2 | 40% |
| Local Economic Development | 1 | 3 | 2 | 1 | 33.33% |
| Planning | 4 | 7 | 5 | 2 | 29% |
| Local Economic Development | 1 | 3 | 2 | 1 | 33.33% |
| Community services | 102 | 161 | 113 | 48 | 30% |
| Environmental Protection | 3 | 3 | 3 | 0 | 0% |
| Corporate Policy Offices and Other | 112 | 125 | 98 | 27 | 22% |
| Totals | 269 | 364 | 270 | 94 | 26% |

| Vacancy Rate 2012/13 | | | |
|---|------------------------------|--|---|
| Designations | *Total Approved Posts | *Variances (Total time that vacancies exist using fulltime equivalents) | *Variances (as a proportion of total posts in each category) |
| | No. | No. | % |
| Municipal Manager | 1 | 0 | 0% |
| CFO | 1 | 0 | 0% |
| Other S57 Managers (excluding Finance Posts) | 5 | 2 | 40% |
| Other Managers (Finance posts) | 6 | 1 | 17% |
| Managers : Levels 15 (excluding Finance Posts) | 22 | 1 | 5% |
| Senior management: Levels 13-15 (Finance posts) | 5 | 1 | 20% |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 11 | 1 | 9% |
| Highly skilled supervision: levels 9-12 (Finance posts) | 7 | 1 | 14.2% |
| Total | 58 | 7 | 12% |

| Turn-over Rate | | | |
|-----------------------|---|---|------------------------|
| Details | Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-over Rate* |
| | No. | No. | |
| 2012/13 | 18 | 13 | |
| | | | |

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 Policies

The municipality has developed numerous policies as a guideline to all officials. The following policies were developed and reviewed during the year under review:

| NO. | POLICY NAME | approved | reviewed | RESOLUTION NUMBER |
|-----|--|----------|----------|-------------------|
| 1. | draft traditional leader's framework | ✓ | | M12/66 |
| 2. | draft information technology patch policy | ✓ | | C12/77 |
| 3. | Draft email and internet policy | ✓ | | C12/78 |
| 4. | ICT disaster recovery policy | ✓ | | C12/79 |
| 5. | IT governance framework | ✓ | | C12/80 |
| 6. | amended employees cellphone allowance policy | | ✓ | C12/72 |
| 7. | Draft geographical names committee policy | ✓ | | C12/75 |

4.3 INJURIES, SICKNESS AND SUSPENSIONS

No officials were suspended from duty for financial or any kind of misconduct during the year under review. 04 minor injuries were reported on duty and affected officials consulted their doctors and the bills were paid by municipality as the municipality does not have it own doctor(s). The municipality spent R1567.23 on medical bills for officials injured on duty.

| Number and Cost of Injuries on Duty | | | | | |
|---------------------------------------|--------------------|------------------------------|---|-----------------------------------|----------------------|
| Type of injury | Injury Leave Taken | Employees using injury leave | Average injury leave taken per employee | Average Injury Leave per employee | Total Estimated Cost |
| | Days | No. | % | Days | R'000 |
| Required basic medical attention only | 05 | none | none | none | R1567.23 |
| Temporary total disablement | none | none | none | none | none |
| Permanent disablement | none | none | none | none | none |
| Fatal | none | none | none | none | none |
| Total | 05 | 0 | 0 | 0 | R 1567.23 |

4.4 Performance management

In EMLM, performance management is limited to Municipal Manager and Directors only. EMLM has conducted the 2011/2012 annual performance assessments for three Directors who signed the performance agreement with the municipality, and no one qualified for performance bonuses. Municipality also conducted the 2012/2013 mid-year assessments for 04 Directors. The mid-year assessment is the measure taken by municipality in improving performance because through the session Directors are offered an opportunity to state their challenges and they are assisted by panel members as to how they can overcome those challenges and be able to achieve their target at the end of the financial year. During the year under review the following officials signed their performance agreements:

| signing of performance agreement | | |
|--------------------------------------|--------|------------|
| Officials | signed | not signed |
| Municipal Manager | ✓ | |
| Director Strategic | ✓ | |
| Chief financial officer | ✓ | |
| Director community services | ✓ | |
| Director Infrastructure | ✓ | |
| Acting Director Planning Development | ✓ | |
| Director Corporate services | | ✓ (vacant) |

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 Skills development and training

The municipality has a work skills plan that is utilised for capacity building of staff. Each department is requested to forward their training plans to corporate services in May each year, in order to be included in the WSP - which serves as a guide as to how many officials should undergo training in the next financial year. The plan is also used to determine the expenditure for training. For the year under review, 59 employees received different training. The WSP and annual training report were submitted to LGSETA at the end of each financial year.

At the beginning of the financial year R1million was budgeted for training, and these funds were exhausted by the end of the financial year. The training plan is effectively implemented in our municipality as we ensure that all officials on the training plan undergo relevant training. In future there will be a need for more spending for training. The municipality has made good progress towards achieving the 2013 deadline, and we are confident that we will meet it.

The following are the trainings that took place:

| Total number of employees trained | Training programme | position |
|-----------------------------------|--|---|
| 08 | Municipal finance management programme | finance officials including 4 interns |
| 01 | certificate in supply chain management | SCM practitioner |
| 02 | LGAAC | finance officials |
| 02 | Asset Maintenance & management | Manager assets Assets Accountant |
| 03 | PED for IDP | IDP Manager IDP Officials |
| 10 | Integrated HIV/AIDS & TB Management | special programme Officers, Human resource Officers |
| 30 | Basic computer training | General workers and Switchboard operators |
| 03 | CPMD | Municipal manager, Legal Advisor |

Minimum competency level for finance officials

| NAMES | GENDE R | JOB TITLE | QUALIFICATIONS | |
|----------------|---------|-----------------------------|-----------------------------------|------|
| MASEMOLA K H | MALE | SCM OFFICER | ND INTERNAL AUDITING | MFMP |
| MOLABA E R | FEMALE | BANK RECONCILIATION OFFICER | B COM ACCOUNTING | MFMP |
| MOLOTO J S | MALE | ACCOUNTANT SCM | ND BUSINESS MANAGEMENT | MFMP |
| MPHAHLELE M T | FEMALE | ACCOUNTANT REVENUE | B COM ACCOUNTING | MFMP |
| MSIZA A S | MALE | BUDGET REPORTING OFFICER | B COM ACCOUNTING | MFMP |
| MTHIMUNYE M P | MALE | MANAGER SUPPLY CHAIN | B COM ACCOUNTING | MFMP |
| MTSWENI C J | MALE | MANAGER EXPENDITURE | ND FINANCIAL MANAGEMENT | MFMP |
| NHLAPO M M | FEMALE | ACCOUNTANT EXPENDITURE | B. COM ACCOUNTING | MFMP |
| PALMER R | MALE | DEPUTY CFO | ND INTERNAL AUDITING | NONE |
| Marshall G | MALE | Manager Assets | MASTER IN BUSINESS ADMINISTRATION | MFMP |
| SEBELEMETJA ML | MALE | MANAGER BUDGET & REPORTING | HONOURS IN ACCOUNTING | MFMP |
| MOHLAMME B | MALE | MANAGER REVENUE | HONOURS IN ACCOUNTING | MFMP |

COMPONENT D : MANAGING THE WORKFORCE EXPENDITURE

4.6 Employee expenditure

The municipality manages its workforce expenditure very well, as we have policies in place such as overtime policies, and travelling allowance policies, that are complied with before any expenditure can be incurred. EMLM has the organisational structure that is aligned to the IDP and budget, to ensure that all workforce expenditure has been budgeted for. The three documents - IDP, budget and organisational structure - are approved by council every year and the alignment is very important as it assists the municipality save money.

4.7 Disclosure of financial interest

Disclosure forms are given to all officials and councillors at the beginning of each financial year for completion. For the year under review, 02 councillors and 68 officials completed their disclosure forms. No conflict of interest was identified.

CHAPTER 5

FINANCIAL INFORMATION

CHAPTER 5: FINANCIAL PERFORMANCE

INTRODUCTION

The Elias Motsoaledi Local Municipality strives to ensure an effective and efficient administration, and has provided the following components for discussion within this chapter:

- Component A: Statement of financial performance
- Component B: Spending against capital budget
- Component C: Other financial matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction to Financial Statements

The Elias Motsoaledi Local Municipality handed over the annual financial statements to the Auditor General Limpopo, as per the Municipal Finance Management Act, on 31 August 2013 for the financial year 2012/13. The components below will be discussed in detail:

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

| Description R thousands | 2011/12 | Current Year 2012/13 | | | 2012/13 Variance | |
|--|-----------------|----------------------|-----------------|----------------|---------------------|---------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual | Original Budget (%) | Adjusted Budget (%) |
| Financial Performance | | | | | | |
| Property rates | 11,033 | 17,936 | 17,936 | 17,900 | -0,20 | -0,20 |
| Service charges | 50,460 | 71,998 | 71,998 | 54,469 | -32,18 | -32,18 |
| Investment revenue | 5,156 | 8,658 | 6,158 | 5,062 | -71,04 | -21,65 |
| Transfers recognised – operational | 117,269 | 132,856 | 132,856 | 132,856 | 0,00 | 0,00 |
| Other own revenue | 16,013 | 12,174 | 14,674 | 13,550 | 10,15 | -8,30 |
| Total Revenue (excluding capital transfers and contributions) | 199,931 | 243,622 | 243,622 | 223,837 | -8,84 | -8,84 |
| Employee costs | 60,520 | 77,176 | 74,017 | 73,615 | -4,84 | -0,55 |
| Remuneration of councillors | 14,405 | 12,908 | 13,590 | 14,701 | 12,20 | 7,56 |
| Depreciation & asset impairment | 32,124 | 7,000 | 7,000 | 32,894 | 78,21 | 78,21 |
| Finance charges | 287 | – | – | 113 | - | - |
| Materials and bulk purchases | 40,739 | 54,390 | 54,040 | 46,120 | -17,93 | -17,17 |
| Transfers and grants | 2,552 | 2,470 | 2,470 | 2,483 | 0,52 | 0,52 |
| Other expenditure | 53,090 | 67,448 | 70,299 | 59,020 | -14,28 | -19,11 |
| Total Expenditure | 203,71 | 221,39 | 221,41 | 228,94 | 3,30 | 3,29 |

| | 6 | 3 | 6 | 7 | | |
|--|----------------|---------------|---------------|----------------|----------------|----------------|
| Surplus/(Deficit) | (3,785) | 22,229 | 22,206 | (5,110) | -335,01 | -335,56 |
| Transfers recognised – capital | 29,037 | 35,223 | 35,223 | 35,223 | 0,00 | 0,00 |
| Contributions recognised - capital & contributed assets | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | 25,252 | 57,452 | 57,429 | 30,113 | -90,79 | -90,71 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – |
| Surplus/(Deficit) for the year | 25,252 | 57,452 | 57,429 | 30,113 | -90,79 | -90,71 |
| <u>Capital expenditure & funds sources</u> | | | | | | |
| | 103,75 | | | | | |
| Capital expenditure | 7 | 57,412 | 57,412 | 47,355 | -21,24 | -21,24 |
| Transfers recognised – capital | 29,037 | 35,223 | 35,223 | 35,223 | 0,00 | 0,00 |
| Public contributions & donations | – | – | – | – | – | – |
| Borrowing | – | – | – | – | – | – |
| Internally generated funds | 74,720 | 22,189 | 22,189 | 12,132 | -82,90 | -82,90 |
| | 103,75 | | | | | |
| Total sources of capital funds | 7 | 57,412 | 57,412 | 47,355 | -21,24 | -21,24 |
| <u>Financial position</u> | | | | | | |
| Total current assets | 52,802 | 76,803 | 44,803 | 65,801 | -16,72 | 31,91 |
| | 844,12 | 736,36 | 826,77 | 784,79 | | |
| Total non-current assets | 2 | 2 | 3 | 7 | 6,17 | -5,35 |
| Total current liabilities | 50,564 | 37,325 | 4,681 | 40,173 | 7,09 | 88,35 |
| Total non-current liabilities | 25,592 | 21,452 | 21,452 | 25,923 | 17,25 | 17,25 |
| | 820,76 | 754,38 | 845,44 | 784,50 | | |
| Community wealth/Equity | 8 | 8 | 3 | 2 | 3,84 | -7,77 |
| <u>Cash flows</u> | | | | | | |
| Net cash from (used) operating | 77,505 | 73,665 | 73,665 | 58,196 | -26,58 | -26,58 |
| Net cash from (used) investing | (102,169) | (57,412) | (57,412) | (51,471) | -11,54 | -11,54 |
| Net cash from (used) financing | (3,714) | (4,320) | (4,320) | 1,106 | 290,60 | 290,60 |
| Cash/cash equivalents at year end | 7,476 | 17,600 | 17,600 | 15,306 | -14,99 | -14,99 |
| <u>Cash backing/surplus reconciliation</u> | | | | | | |
| Cash and investments available | 7,476 | 17,600 | 17,600 | 15,306 | -14,99 | -14,99 |
| Application of cash and | | | | | | |

| | | | | | | | |
|---|---------|---------|---------|---------|--------|--------|--|
| investments | | | | | | | |
| Balance - surplus (shortfall) | 7,476 | 17,600 | 17,600 | 15,306 | -14,99 | -14,99 | |
| Asset management | | | | | | | |
| Asset register summary (WDV) | 717,845 | 785,273 | 785,273 | 776,413 | 1,14 | 1,14 | |
| Depreciation & asset impairment | 32,124 | 7,000 | 7,000 | 32,895 | 78,72 | 78,72 | |
| Renewal of existing Assets | - | 4,957 | 5,116 | 4,000 | -23,93 | -27,90 | |
| Repairs and maintenance | 8,939 | 4,935 | 5,094 | 5,638 | 12,47 | 9,65 | |
| Free services | | | | | | | |
| Cost of free basic services provided | 4,734 | 1,250 | - | 1,250 | | | |
| Revenue cost of free services provided | 10,648 | 11,105 | - | 11,105 | | | |
| Households below minimum service level | | | | | | | |
| Water: | - | - | - | - | | | |
| Sanitation/sewerage: | - | - | - | - | | | |
| Energy: | - | - | - | - | | | |
| Refuse: | 0 | 0 | 0 | 0 | | | |

Variances are calculated by dividing the difference between original/adjustments budget, by the actual

| Standard Classification Description R Thousands | Ref 1 | 2011/12 | Current Year 2012/13 | | | 2012/13 Variance | |
|---|-------|-----------------|----------------------|-----------------|----------------|---------------------|---------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Actual | Original Budget (%) | Adjusted Budget (%) |
| Expenditure - Standard Governance and administration | | 121,841 | 108,054 | 111,663 | 100,312 | -7,72 | -11,32 |
| Executive and council | | 42,447 | 45,879 | 51,249 | 40,841 | -12,34 | -25,48 |
| Budget and treasury office | | 60,944 | 35,508 | 33,564 | 31,290 | -13,48 | -7,27 |
| Corporate services | | 18,450 | 26,667 | 26,850 | 28,182 | 5,38 | 4,73 |
| Community and public safety | | 9,713 | 3,637 | 15,464 | 12,808 | 71,60 | -20,74 |
| Community and social services | | 9,228 | 2,213 | 3,379 | 2,937 | 24,65 | -15,05 |
| Sport and recreation | | 451 | 255 | 155 | 15 | 1,600,0 | -933,00 |

| | | | | | | | | |
|--|---|----------------|----------------|----------------|----------------|----------------|---------------|--------|
| Public safety | | – | 60 | 11,627 | 9,857 | 0 | 99,39 | -17,96 |
| Housing | | – | – | – | – | – | – | – |
| Health | | 34 | 1,109 | 303 | -- | 0,00 | 0,00 | 0,00 |
| Economic and environmental services | | 24,337 | 41,071 | 27,522 | 19,175 | -114,19 | -43,53 | |
| Planning and development | | 24,337 | 40,071 | 27,522 | 19,175 | -108,96 | -43,53 | |
| Road transport | | – | 1000 | – | – | 0,00 | 0,00 | |
| Environmental protection | | – | – | – | – | – | – | |
| Trading services | | 49,247 | 68,719 | 66,767 | 52,388 | -31,17 | -27,45 | |
| Electricity | | 39,359 | 56,828 | 55,886 | 44,172 | -28,65 | -26,52 | |
| Water | | – | – | – | – | – | – | |
| Wastewater management | | – | – | – | – | – | – | |
| Waste management | | 9,888 | 11,891 | 10,881 | 8,216 | -44,73 | -32,44 | |
| Other | 4 | – | – | – | – | – | – | |
| Total Expenditure - Standard | 3 | 205,138 | 221,481 | 221,416 | 184,684 | -19,92 | -19,89 | |

Variances are calculated by dividing the difference between original/adjustments budget, by the actual.

COMMENT ON FINANCIAL PERFORMANCE

Revenue

Property rates

The budgeted amount for Property rates for 2012/13 financial year was R17,936 million which was never adjusted. The line item had an unfavourable variance of 0.20%.

Service charges

This is made up of service charges for electricity and refuse removal and the budget thereof was R71, 998 and it had an unfavourable variance of 32,18% that is deemed to be material.

Investment revenue

The budgeted amount for interest on investment was R8,658 million which was adjusted downward to R6,158 million and it had an unfavourable variance of 71,04% based on original budget and unfavourable variance of 21,65% based on adjusted budget.

Transfer recognized

Budget of R132,856 million was set for revenue to be realised from conditional grants received and all the conditional grants that were transferred during 2012/13 financial year were spent, hence there is no variance.

Other Income

Original budget for other income was R12,174 million and it was adjusted upwards to R14,674 million and only R13,550 million was realised and this resulted in a favourable variance of 10,15% based on original budget and unfavourable budget of 8,30% based on adjusted budget.

Expenditure

Employee related cost

Employee related cost for 2012/13 financial year was 34,86% of the total operating budget. An amount of R77,176 million was originally budgeted for and it was adjusted downward to R74,017 million and it had unfavourable variance of 4,84% and 0,55% based on original budget and adjusted budget respectively and these variances are deemed to be immaterial.

Depreciation and asset impairment

Provision was made in the budget for capital asset depreciation and impairment and the budget thereof was significantly understated by 78,21%. According to GRAP 17 standard, all work in progress capital projects are not depreciated. Only projects completed and commissioned must be depreciated

Finance charges:

Finance cost was not budgeted for in 2012/13 financial year.

Other Expenditure: Lack of internal control - also refers to irregular, fruitless and wasteful in AFS 30 June 2012.

Materials and bulk purchases

Bulk purchases line item was mainly for purchase of electricity. An unfavourable variance of 17,93% and 17,17% was experienced based on original budget and adjusted budget respectively.

Transfers and grants – paid out

Transfers and grants refer to subsidies made to indigent and pensioners consumers. The subsidies were done in the form of special rebates on property rates, free basic services, etc given to poor households.

5.2 GRANTS

| Description R Thousands | 2011/12 | Current Year 2012/13 | | | 2012/13 Variance | |
|--|-----------------|----------------------|-----------------|----------------|---------------------|-----------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual | Original Budget (%) | Adjustment Budget (%) |
| RECEIPTS: | | | | | | |
| <u>Operating Transfers and Grants</u> | | | | | | |
| National Government: | 117,174 | 132,856 | 132,856 | 132,856 | 0,00 | 0,00 |
| Local government equitable share | 114,134 | 129,556 | 129,556 | 129,556 | 0,00 | 0,00 |
| EPWP incentive | 1000 | 1000 | 1000 | 1,000 | 0,00 | 0,00 |
| FMG grant | 1,250 | 1,500 | 1,500 | 1,500 | 0,00 | 0,00 |
| MSIG grant | 790 | 800 | 800 | 800 | 0,00 | 0,00 |
| National electrification grant (DME) | - | - | - | - | - | - |

| | | | | | | |
|---|----------------|----------------|----------------|----------------|-------------|-------------|
| Provincial Government: | - | - | - | - | - | - |
| N/A | - | - | - | - | - | - |
| District Municipality: | - | - | - | - | - | - |
| N/A | - | - | - | - | - | - |
| Other grant providers: | - | - | - | - | - | - |
| N/A | - | - | - | - | - | - |
| Total Operating Transfers and Grants | 117,174 | 132,856 | 132,856 | 132,856 | 0,00 | 0,00 |
| Variances are calculated by dividing the difference between original/adjustments budget, by the actual. | | | | | | |

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All grants gazetted for 2012/13 financial year were received and spent in full indicating a good performance and MIG expenditure of 100% was also achieved.

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:

No grants were received from other sources.

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality capitalised all completed projects during the year under review. Below is a detailed description of the infrastructure projects:

COMMENT ON ASSET MANAGEMENT:

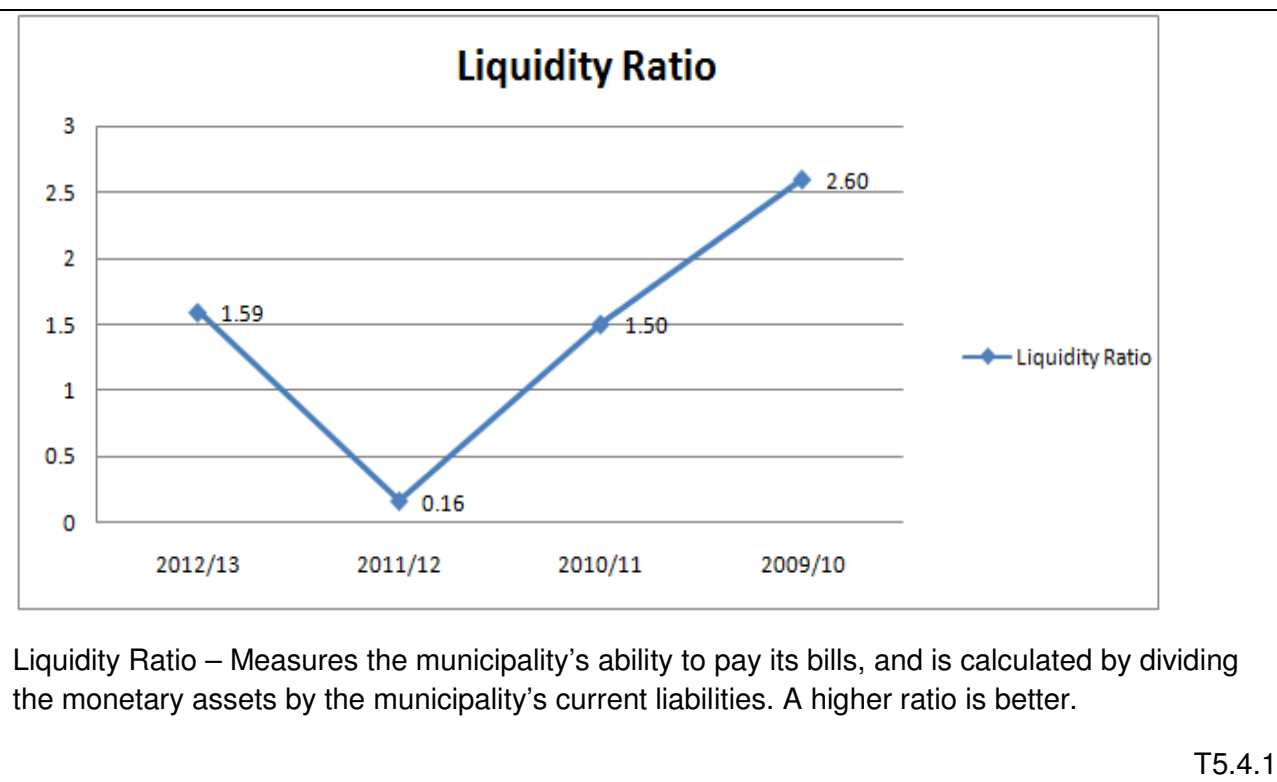
The municipality unbundled all assets as previously notified by the Auditor General, to fully comply with the GRAP standards. A new asset management policy was also approved by council.

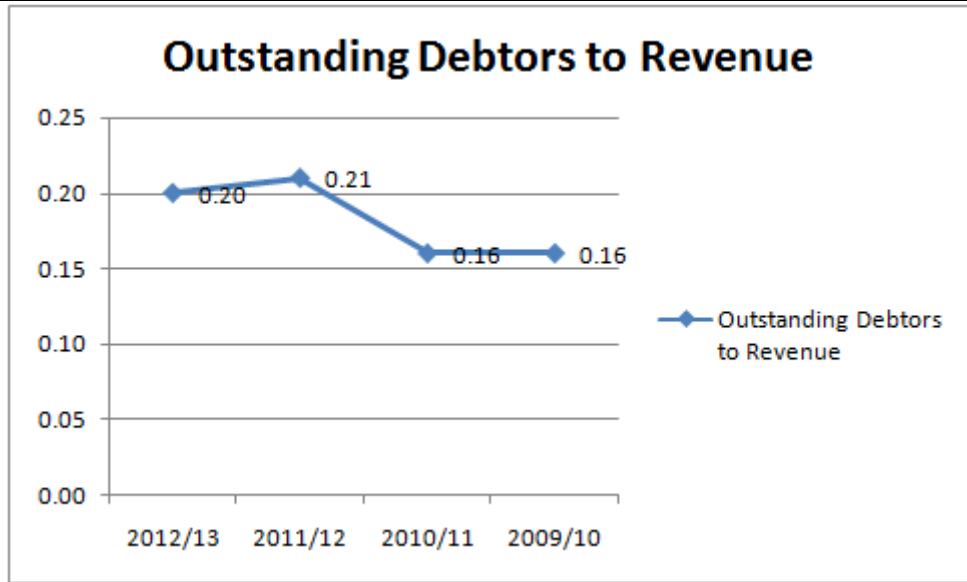
| Repairs and Maintenance Expenditure 2012/13 | | | | | | |
|---|-----------------|----------------------|-----------------|--------|---------------------|-----------------------|
| Description | 2011/12 | Current Year 2012/13 | | | 2012/13 Variance | |
| R Thousands | Audited Outcome | Original Budget | Adjusted Budget | Actual | Original Budget (%) | Adjustment Budget (%) |
| Repairs and maintenance expenditure | 8,939 | 4,935 | 5,094 | 5,638 | 12,47 | 10,68 |

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance budget represent 2,30% of the total operating budget. A total of R5,638 million was spent, reflecting an overspending of 12,47% and 10,68% based on original budget and adjusted budget respectively.

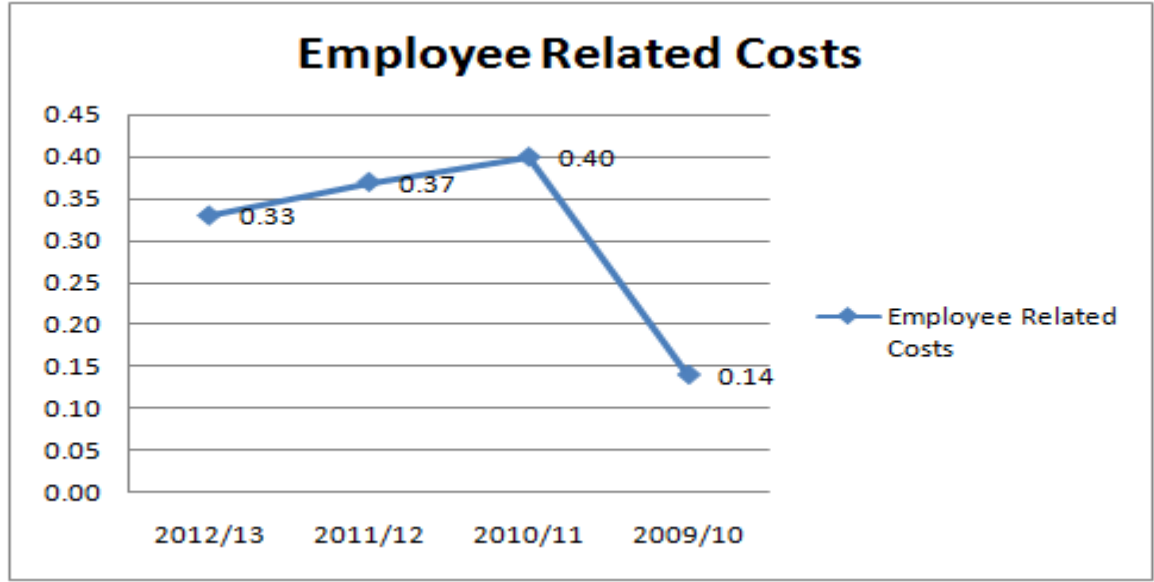
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS





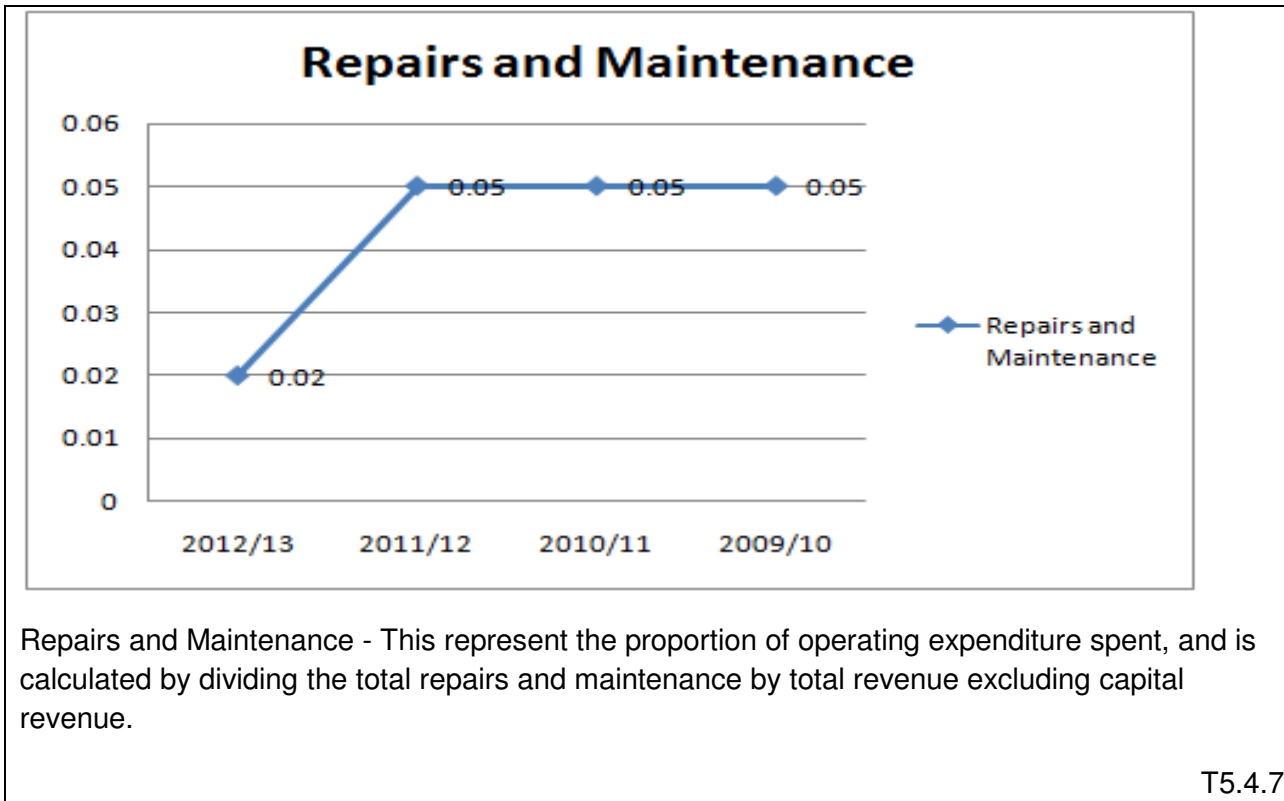
Outstanding Service Debtors to Revenue - Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue. A lower score is better.

T5.4.2



Employee Cost 0 Measures what portion of 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.

T5.4.5



COMMENT ON FINANCIAL RATIOS:

The municipality is in a process of improving its ability to spend the 10% threshold of operating expenditure for repairs and maintenance. Liquidity will also improve as the municipality has placed stringent internal controls over unnecessary expenditure, in order to improve the cash flow situation.

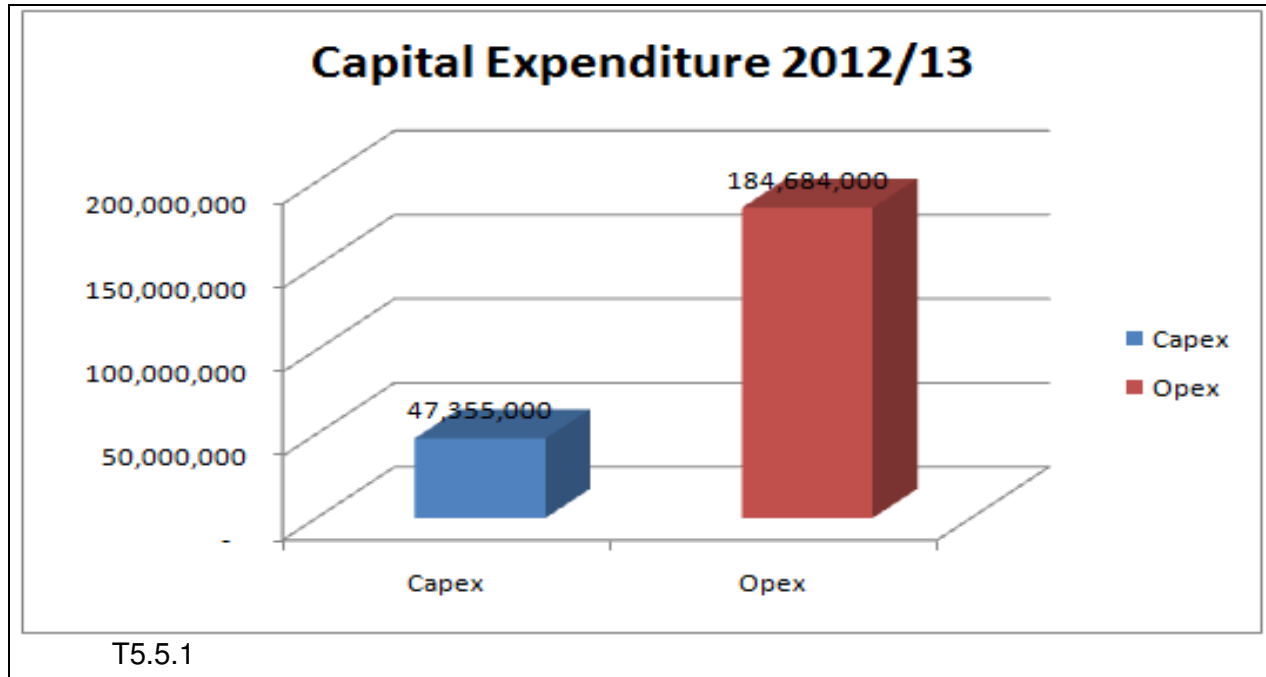
T5.4.8

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction of projects that will have value lasting over many years. Capital expenditure is funded from grants and own revenue. Component B deals with capital spending, indicating where the funding comes from and whether the Municipality is able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spent.

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

| Capital Expenditure – Funding Sources 2011/12 - 2012/13 | | | | | | |
|---|----------------|----------------------|-------------------|---------------|-------------------------------|---------------------------|
| R'000 | | | | | | |
| Details | 2011/12 | 2012/13 | | | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance | | | | | | |
| External loans | | | | | | |
| Public contributions and donations | | | | | | |
| Grants and subsidies | 29,037 | 35,223 | 35,223 | 35,223 | 0,00 | 0,00 |
| Other | 74,720 | 22,189 | 22,189 | 12,132 | 0,00 | -82,90 |
| Total | 103,757 | 57,412 | 57,412 | 47,355 | 0,00 | -21,24 |
| <i>Percentage of finance</i> | | | | | | |
| External loans | | | | | | |
| Public contributions and donations | | | | | | |
| Grants and subsidies | 27,98% | 61,35% | 61,35% | 74,38% | | |
| Other | 72,02% | 38,65% | 38,65% | 25,62% | | |

| Capital expenditure | | | | | | | |
|----------------------------------|-----------------------|----------------|---------------|---------------|---------------|---------|--------|
| | Water and sanitation | - | - | - | - | | |
| | Electricity | 5,575 | - | - | - | | |
| | Housing | | | | | | |
| | Roads and storm water | 80,557 | 53,412 | 56,345 | 46,488 | -14,89 | -21,20 |
| | Other | 17,625 | 2,000 | 1,067 | 867 | -130,68 | -23,06 |
| | Total | 103,757 | 57,412 | 57,412 | 47,355 | | |
| <i>Percentage of expenditure</i> | | | | | | | |
| | Electricity | 5,37% | 0,00% | 0,00% | 0,00% | | |
| | Housing | | | | | | |
| | Roads and storm water | 77,64% | 93,03% | 98,14% | 98,17% | | |
| | Other | 16,99% | 3,48% | 1,86% | 1,83% | | |
| | | | | | | | T5.6.1 |

COMMENT ON SOURCES OF FUNDING:

The budget was funded by DORA allocations (external grants) and internally-generated funds.

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

| Capital Expenditure on Five Largest Projects* | | | | | |
|--|------------------------|--------------------------|---------------------------|------------------------------|--------------------------------|
| R'000 | | | | | |
| Name of Project | Current Year | | | Variance Current Year | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment Variance (%) |
| A – Ramogwerane to Nkadimeng | 19,277,000 | 19,277,000 | 18,667,535 | -3,26 | -3,26 |
| B – Nyakelang Road | 10,469,400 | 10,469,400 | 11,775,181 | 11,09 | 11,09 |
| C - Groblersdal stand 885 | 5,774,615 | 5,774,615 | 5,084,430 | -13,57 | -13,57 |
| D - Zaaiplaas bus route upgrade | 5,665,400 | 5,665,400 | 5,456,217 | 96,31 | 96,31 |
| E – Roads to magoshi | 2,389,000 | 2,389,000 | 1,471,685 | -62,33 | 62,33 |
| *Project with the highest capital expenditure in 2012/13 | | | | | |

| | |
|------------------------------|--|
| Name of Project - A | Ramogwerane to Nkadimeng |
| Objective of project | To improve municipal roads' infrastructure for socio-economic growth |
| Delays | Yes |
| Future challenges | The area is well known of challenges of underground and if done in phases that must be taken into consideration on the budget as the situation continue to go on between designs and construction. |
| Anticipated citizen benefits | Job creation, skills transferred and improved road infrastructure |
| Name of Project - B | Nyakelang upgrading |
| Objective of project | To improve municipal roads' infrastructure for socio-economic growth |
| Delays | None |
| Future challenges | |
| Anticipated citizen benefits | Job creation, skills transferred and improved road infrastructure |
| Name of Project - C | Grobbersdal Stand 885 |
| Objective of project | To improve municipal town |
| Delays | None |
| Future challenges | |
| Anticipated citizen benefits | Job creation, skills transferred and improved town development |
| Name of Project - D | Zaaiplaas bus route upgrade |
| Objective of project | To improve municipal roads' infrastructure for socio-economic growth |
| Delays | No |
| Future challenges | The area has underground hard rock which also need to be considered during designs. |
| Anticipated citizen benefits | Job creation, skills transferred and improved road infrastructure |
| Name of Project -E | Roads to Magoshi |
| Objective of project | To improve municipal roads' infrastructure for socio-economic growth |
| Delays | No |
| Future challenges | Storm water challenges and maintenance |
| Anticipated citizen benefits | Job creation, skills transferred and improved road infrastructure |
| T5.7.1 | |

COMMENT ON CAPITAL PROJECTS:

The municipality Managed to complete all capital projects for 2012/13 financial year including roll overs and the challenge is on the funding source as the Municipality have a huge backlog on roads infrastructure and maintenance.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

There is still huge backlog in terms of Basic Infrastructure that is Water and Sanitation which is implemented at District level. The backlog for Electricity is not that huge as most households have access to electricity.

| Service Backlogs as at 30 June 2012 | | | | |
|--|--|--------------|---|--------------|
| Households (HHs) | | | | |
| | *Service level above minimum standard | | **Service level below minimum standard | |
| | No HHs | % HHs | No HHs | % HHs |
| Electricity | 57814 | 96% | 2350 | 3.9% |
| Waste management | | | | |
| Housing | | | | |

COMMENT ON BACKLOGS:

The electricity backlog is not that huge and the challenge is on the Eskom site as there is no network capacity for connections on some areas.

Roads and storm water as key function of the municipality is being implemented by MIG funds and own funding. The municipality has a serious backlog on roads and storm water and has challenges of resources and lack of funding to enable them to deal with the backlog.

There is a serious challenge on the maintenance backlog for roads and storm water and most of our roads are not accessible. There is a maintenance programme for gravel and dirt road and the challenge is that there are no sufficient resources of Machinery and plant to maintain the roads. The impact on the programme is not being realized.

| Municipal Infrastructure Grant (MIG)* Expenditure 2012/13 on Service backlogs | | | | | | |
|---|--------|--------------------|--------|----------|---|---|
| Details | Budget | Adjustments budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | | | |
| Infrastructure - Road Transport | | | | % | % | |
| <i>Roads, Pavements & Bridges</i> | 35 223 | 0 | 35 223 | % | % | None |
| <i>Stormwater</i> | | | | % | % | |
| Infrastructure - Electricity | | | | % | % | |
| <i>Generation</i> | | | | % | % | |
| <i>Street Lighting</i> | | | | % | % | |
| Infrastructure – Other | | | | % | % | |
| <i>Waste management</i> | | | | % | % | |
| <i>Transportation</i> | | | | % | % | |
| <i>Gas</i> | | | | % | % | |
| Other: | | | | % | % | |
| | | | | % | % | |
| Total | | | | % | % | |

*MIG is a government grant program designed to fund a reduction in service backlogs, Mainly: Water, Sanitation, Roads, Electricity 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

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The financial health position of Council is largely dependant on the cash flow position of the Municipality. The cash and cash equivalents of the Municipality as at end of the financial year increased from R7,476 million (30 June 2012) to R15,306 million (30 June 2013)

| Cash-Flow Outcomes | | | | |
|--|------------------------|-----------------------------|--------------------------|----------------------|
| Description | 2011/12 | Current Year 2012/13 | | |
| | Audited Outcome | Original Budget | Adjustment Budget | Actual |
| <u>Cash-Flow From Operating Activities</u> | | | | |
| Receipts | 225,203,178 | 243,622,000 | 243,622,000 | 259,981,429 |
| Fines | 1,031,214 | 1,063,000 | 1,063,000 | 791,600 |
| Sale of goods and services | 64,337,335 | 89,934,000 | 89,934,000 | 75,546,718 |
| Government grants | 146,306,000 | 168,079,000 | 168,079,000 | 168,079,000 |
| Interest | 4,924,875 | 8,685,000 | 6,158,000 | 5,061,776 |
| Other income | 3,233,337 | 6,111,000 | 8,611,000 | 4,782,258 |
| Licences and permits | 5,370,417 | 5,000,000 | 5,000,000 | 5,720,077 |
| Payments | (147,694,868) | (210,693,000) | (210,716,000) | (201,785,614) |
| Employee costs | (74,844,644) | (90,084,000) | (87,607,000) | (88,331,510) |
| Finance charges | (286,676) | | | (113,093) |
| Suppliers | (72,568,548) | (120,608,000) | (123,109,000) | (113,341,011) |
| Net Cash From/(Used) Operating Activities | 77,508,310 | 32,929,000 | 32,906,000 | 58,195,815 |
| <u>Cash Flow From Investing Activities</u> | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | 3,905,971 | | | 9,071 |
| Payments | | | | |
| Capital Assets | (106,074,982) | | | (51,480,172) |
| Net Cash From/(Used) Investing Activities | (102,169,011) | 0,00 | 0,00 | (51,471,101) |
| <u>Cash Flows From Financing Activities</u> | | | | |
| Receipts | | | | |
| Short-term loans | | | | |
| Borrowings long-term/refinancing | | | | |
| Increase/(decrease in consumer deposits) | | | | 1,105,973 |
| Payments | | | | |
| Repayment of other financial liabilities | (3,713,831) | | | |
| Net Cash From/(Used) Financing Activities | (3,713,831) | 0,00 | 0,00 | 1,105,973 |
| Net Increase/(Decrease) in Cash Held | (28,377,532) | 32,929,000 | 32,906,000 | 7,830,687 |
| Cash/cash equivalents at the year beginning | 35,853,324 | 7,475,792 | 7,475,792 | 7,475,792 |

| | | | | |
|---|------------------|-------------------|-------------------|-------------------|
| Cash/cash equivalents at the year end: | 7,475,792 | 40,404,792 | 40,381,792 | 15,306,479 |
|---|------------------|-------------------|-------------------|-------------------|

COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalent of the Municipality is made up of cash in the primary and PHP bank accounts and all the short term investments.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

| Actual Borrowings 2009/10 - 2011/12 | | | |
|--|----------------|----------------|----------------|
| R'000 | | | |
| Instrument | 2009/10 | 2010/11 | 2011/12 |
| <u>Municipality</u> | | | |
| 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 |
| Instalment 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 |
| Municipal Total | n/a | n/a | n/a |
| | n/a | n/a | n/a |
| <u>Municipal Entities</u> | n/a | n/a | n/a |
| 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 |
| Instalment 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 |
| Entities Total | n/a | n/a | n/a |

| Municipal and Entity Investments 2010/11 - 2012/13 | | | |
|---|-----------------------|-----------------------|-----------------------|
| R'000 | | | |
| Investment type | 2010/11 Actual | 2011/12 Actual | 2012/13 Actual |
| <u>Municipality</u> | | | |
| Securities - national government | – | – | – |
| Listed corporate bonds | – | – | – |
| Deposits -bank | 36,319,710 | 7,292,738 | 14,051,271 |
| Deposits -public investment commissioners | – | – | – |
| Deposits -corporation for public deposits | – | – | – |
| Bankers' acceptance certificates | – | – | – |
| Negotiable certificates of deposit - Banks | – | – | – |
| Guaranteed endowment policies (sinking) | – | – | – |
| Repurchase agreements - Banks | – | – | – |
| Municipal bonds | – | – | – |
| Other | – | – | – |
| Municipal Sub-Total | 36,319,710 | 7,292,738 | 14,051,271 |
| <u>Municipal Entities</u> | | | |
| Securities - National government | – | – | – |
| Listed corporate bonds | – | – | – |
| Deposits - Bank | – | – | – |
| Deposits - Public Investment Commissioners | – | – | – |
| Deposits - Corporation for Public Deposits | – | – | – |
| Bankers' acceptance certificates | – | – | – |
| Negotiable certificates of deposit- Banks | – | – | – |
| Guaranteed endowment policies (sinking) | – | – | – |
| Repurchase agreements – Banks | – | – | – |
| Municipal bonds | – | – | – |
| Other | – | – | – |
| Entities Sub-Total | – | – | – |
| Consolidated Total: | 36,319,710 | 7,292,738 | 14,051,271 |

COMMENT ON BORROWING AND INVESTMENTS:

The Municipality did not have borrowing during the 2012/13 financial year, however the closing balance on Investments was R14,051 million.

5.11 PUBLIC-PRIVATE PARTNERSHIPS

| |
|-----------------------------|
| PUBLIC-PRIVATE PARTNERSHIPS |
| Not applicable |
| T5.11 |

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The supply chain management policy of the municipality is in place to ensure compliance with legislation. There is still a need of SCM officials to be capacitated. They only attended of the municipality also pertinent courses during the year to ensure that all officials within the SCM obtain the required minimum competency.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

CHAPTER 6

AUDITOR GENERAL'S REPORT

6.1 Auditor General's Report 2012/2013

**REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE
AND THE COUNCIL ON ELIAS MOTSOLEDI LOCAL MUNICIPALITY
REPORT ON THE FINANCIAL STATEMENTS**

Introduction

1. I have audited the financial statements of Elias Motsoaledi Local Municipality set out on pages XX to XX, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2011 (Act No. 6 of 2011) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Investment property

6. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for investment property. As described in note 5 to the financial statements, the restatement was made in order to rectify a prior year misstatement. I was unable to confirm the restatement by alternative means. Consequently I was unable to determine whether any adjustment to the investment property corresponding figure stated at R147 867 000 in the financial statements was necessary.

Property, plant and equipment

7. I was unable to obtain sufficient appropriate audit evidence for an impairment amount of R10 276 900 included in the property, plant and equipment balance of R672 910 096 disclosed in note 6 to the financial statements. The municipality's records did not permit the application of alternative procedures. Consequently I was unable to determine whether any adjustment relating to the impairment of property, plant and equipment in the financial statements was necessary.
8. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for property, plant and equipment. As described in note 6 to the financial statements, the restatement was made in order to rectify a prior year misstatement. I was unable to confirm the restatement by alternative means. Consequently I was unable to determine whether any adjustment to the property, plant and equipment corresponding figure stated at R183 051 381 in the financial statements was necessary.

Intangible assets

9. I was unable to obtain sufficient appropriate audit evidence regarding the intangible assets. I was unable to confirm the amount of the intangible assets by alternative means. Consequently I was unable to determine whether any adjustment relating to the intangible assets stated at R22 674 253 in the financial statements was necessary.

Irregular expenditure

10. Section 125(2)(d) of the MFMA requires the municipality to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. Payments amounting to R17 939 970 were made in contravention of the supply chain management requirements and was not disclosed note 51 to the financial statements.

Aggregation of immaterial uncorrected misstatements

11. The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following elements making up the statement of financial position and the statement of financial performance:
 - Revenue reflected as R72 289 042 is understated by R5 460 584
 - Consumer debtors reflected as R14 714 048 is understated by R5 421 160.
 - Payables from exchange transaction reflected as R28 375 003 is overstated by R4 502 584.As a result, I was unable to determine whether any adjustments to these elements were necessary.

Contingent asset

12. The municipality has not disclosed a contingent asset in respect of the uncertainties arising from the dispute declared by the unions and the pending litigation regarding the wage curve agreement. I was unable to confirm the contingent assets by alternative means.

Value Added Tax (VAT)

13. The municipality entered into an agency agreement with its district municipality for the provision of water. As the agent, the municipality has accounted for VAT on the water transactions in contravention with the VAT Act. The municipality also entered in to an agency agreement with the department of Roads and Transport for the collecting of license fees and issuing licenses and permits on behalf of the provincial government. The municipality did not account for output tax on the commission or agency fees for the services rendered in contravention with VAT act. Furthermore the municipality claimed VAT on non qualifying expenditure and also claimed the incorrect VAT amounts. I was unable to determine the correct amount of the VAT receivable balance of R10 154 624 (2012: R7 878 000) as disclosed in note 45 as it was impractical to do so.

Opinion

14. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Elias Motsoaledi Local Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended, in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the MFMA.

Emphasis of matters

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

Restatement of corresponding figures

16. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of an error discovered during 2013 in the financial statements of Elias Motsoaledi Local Municipality at, and for the year ended, 30 June 2012.

Impairments

17. As disclosed in note 15 to the financial statements, the municipality made material impairments to the amount of R3 544 134 and R17 117 159 for receivables from exchange transactions and from non-exchange transactions respectively, as a result of inadequate collection practices.

Unauthorised expenditure

18. As disclosed in note 50 to the financial statements, the municipality incurred unauthorised expenditure of R38 681 636 as a result of exceeding the total amount appropriated for a vote in the approved budget.

Additional matters

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

Unaudited supplementary schedules

20. The municipality provided supplementary information in the financial statements on whether resources were obtained and used according to the legally adopted budget, in accordance with GRAP 1, *Presentation of financial statements*. The supplementary budget information

set out on pages XX to XX does not form part of the financial statements and is presented as additional information. Accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

21. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

22. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages XX to XX of the annual report.

23. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected development priorities or objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

24. The material findings are as follows:

Usefulness of information

Presentation

Measures taken to improve performance not supported by sufficient appropriate evidence

25. Section 46 of the Municipal Systems Act requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Adequate and reliable corroborating evidence could not be provided for 80% of measures taken to improve performance as disclosed in the annual performance report. The municipality's records did not permit the application of alternative audit procedures. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the validity of the measures taken to improve performance.

Consistency

26. The Municipal Systems Act, section 41(c) requires that the integrated development plan should form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 23% of the reported targets are not consistent with the targets as per the approved integrated development plan. This is due to the lack of developed internal policies and procedures for performance information management and reporting.

27. Section 25(2) of the Municipal Systems Act determines that an integrated development plan adopted by a municipal council may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council. Therefore, if the

integrated development plan is changed in-year this process has to take place in accordance with the process as prescribed per section 34 of the Municipal Systems Act.

A total of 100% of targets reported in the annual performance report were changed in-year without following the process as prescribed in section 34 of the Municipal Systems Act and without adoption by the council of the municipality. This was due to a lack of monitoring and review mechanisms over performance reporting.

Measurability

28. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 25% of significantly important targets in relation to the core mandate of the municipality and being of significant public interest were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.
29. The National Treasury *FMPPi* requires that performance targets be measurable. The required performance could not be measured for a total of 29% of the targets relevant to..... This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.
30. The National Treasury *FMPPi* requires that indicators/measures should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. 100% of the significantly important indicators in relation to the core mandate of the municipality and being of significant public interest were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles.
31. The National Treasury *FMPPi* requires that it must be possible to validate the processes and systems that produce the indicator. A total of 29% of the significantly important indicators in relation to the core mandate of the municipality were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the *FMPPi*.

Reliability of information

Supporting documentation provided is not valid and accurate

32. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the validity and accuracy of information presented with respect to *KPA 1: Spatial Rationale and KPA 2: Infrastructure and Basic Service Delivery*. This was due the fact that the municipality could not provide sufficient appropriate evidence in support of the information presented with respect to these objectives

Compliance with laws and regulations

33. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, performance and annual report

34. The annual performance report for the year under review does not include a comparison with the previous financial year and measures taken to improve performance, as required by section 46 (1)(a) of the Municipal Systems Act.
35. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of current assets, liabilities, expenditure, disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
36. The municipality did not establish a proper performance management system, as required by section 38(a) of the Municipal Systems Act.
37. The municipality did not ensure that all of their invoices are paid within 30 days as required by section 65(2) of the Municipal Finance Management Act.
38. The municipality did not have a proper internal control system for revenue and receivables as required by section 64(2)(f) of the Municipal Finance Management Act.
39. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the Municipal Finance and Management Act.

HR Management

40. An acting CFO was appointed for a period of more than six months, in contravention of section 56(1)(c) of the Municipal Systems Act.
41. The CFO was appointed without having met the prescribed minimum competency levels as required by section 56(1)(b) of the Municipal Systems Act.

Internal audit

42. The internal audit unit did not report to the audit committee on matters relating to compliance with the MFMA, the Division of Revenue Act and other applicable legislation, as required by section 165(2)(b) of the MFMA.

Strategic planning and performance management

43. The IDP adopted by the municipality does not reflect and identify the municipal council's vision for the long term development of the municipality and a financial plan, as required by sections 26 and 41 of the Municipal Systems Act.
44. The municipality did not give effect to its integrated development plan and conduct its affairs in a manner which was consistent with its integrated development plan, as required by

section 36 of the Municipal Systems Act, section 21(2)(a) of the Municipal Finance Management Act and Municipal planning and performance management regulation 6.

45. The municipality did not establish a proper performance management system, as required by section 38(a) of the Municipal Systems Act.
46. The performance management system of the municipality did not clarify the roles and responsibilities of each role-player in the functioning of the system, did not determine the frequency of reporting and the lines of accountability for performance and did not provide for procedures by which the system is linked to the municipality's integrated development planning processes, as required by section 38(a) of the Municipal Systems Act and Municipal planning and performance management regulation 7(2)(c).
47. The performance management system of the municipality did not provide for the monitoring of performance and for the measuring and review of performance at least once per year, with regard to each of those development priorities and objectives and against the key performance indicators and targets set, as required by section 41 of the Municipal Systems Act.
48. The performance management system of the municipality did not provide for taking steps to improve performance with regard to those development priorities and objectives where performance targets are not met, as required by section 41(1)(d) of the Municipal Systems Act.
49. The municipality did not set measurable performance targets for the financial year with regard to each of the development priorities and objectives and key performance indicators set out in the IDP, as required by section 41(1)(b) of the Municipal Systems Act and the Municipal planning and performance management regulation 12(1) and 12(2)(e).
50. The accounting officer of the municipality did not by 25 January assess the performance of the municipality during the first half of the financial year, as required by section 72(1)(a)(ii) of the Municipal Finance Management Act .
51. The internal audit did not adequately audit the results of performance measurements, as required by section 45(1)(a) of the Municipal Systems Act and Municipal planning and performance management regulation 14(1)(a).
52. The annual performance report for the year under review does not include a comparison with the previous financial year and measures taken to improve performance, as required by section 46(1)(b) and (c) of the Municipal Systems Act.

Internal control

53. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

54. Management does not always appropriately provide the required supervision and review over operations to ensure that the municipality complies with all laws and regulations and appoint the necessary skilled staff members.
55. Action plans regarding assets were not closely monitored, hence the recurring of findings identified in the prior year.

Financial and performance management

56. The municipality did not formulate and implement a record management policy and related procedures to ensure that all documentation is properly controlled.
57. Management did not implement the following daily and monthly controls as designed for the entity's business processes:
- Payments to creditors were not properly authorised by agreeing the payment to the detailed creditor statements.
 - The municipality did not perform reconciliations between the general ledger and the fixed asset register.
 - Adequate controls over daily and monthly processing and reconciling of transactions were not implemented.
58. Design and implementation of formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information was not implemented.
59. Regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information was not implemented.

Governance

60. The internal audit function was outsourced for the year under review. The internal audit function did not have an approved internal audit charter for the year under review.
61. The municipality established an audit committee during the year under review. However it was found that the effectiveness of the audit committee was not assessed during the year under review.

Polokwane

30 November 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT B: AUDITOR GENERAL'S OPINION 2012/2013**6.2 Auditor General's report 2012/2013**

| Auditor-General's Report on Financial Performance 2012/13 | |
|---|------------------------------|
| Audit Report Status*: | Qualified Opinion |
| | |
| Non-Compliance Issues | Remedial Action Taken |
| Attached as annexure "3" | Audit action plan in place |
| | |
| | |
| | |

| Auditor-General's Report on Service Delivery Performance 2012/2013 | |
|--|------------------------------|
| Audit Report Status: | Qualified Opinion |
| | |
| Non-Compliance Issues | Remedial Action Taken |
| Attached as annexure "3" | Audit action plan in place |
| | |
| | |
| | |

6.3 MUNICIPAL MANAGER AND CFO'S COMMENTS.**AUDITORS REPORT 2013 OF THE AUDITOR GENERAL TO THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY.****PURPOSE**

In terms of Section 126(1) of the MFMA the accounting officer of a municipality must:

"Prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing;"

The financial statement as on 30 June 2013 of the municipality was submitted to the Auditor General on the 31 August 2013.

In terms of section 126(3)(a)(b) of the MFMA the Auditor General must :

"audit those financial statements; and submit an audit report on those statements to the accounting officer of the municipality or entity within three months of receipt of the statements."

BACKGROUND

The Audit report 2013 was submitted to the Accounting Officer on the 09 December 2013.

Auditor-General's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2001) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Elias Motsoaledi Local municipality as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the MFMA.

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

LEGAL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

RECOMMENDATIONS BY MUNICIPAL MANAGER

1. The Financial Statements as on 30 June 2013 of the municipality was submitted within two months of the financial year end to the Auditor General on the 31 August 2013.
2. Council takes note of the Audited Annual Financial Statements 30 June 2013.

3. The Auditor General Report 2013 was submitted to the Accounting Officer on the 09 December 2013.
4. The municipality has received a Qualified Audit Opinion for the financial year ended 30 June 2013 with a vast improvement on the previous financial year.
5. Council takes note of the comments by management with regards to the Basis for Audit Opinion attached as Annexure 2.

6. Council take note of the Audited Financial Statements (Annexure 1), Auditor General's Report (Annexure 2) Audit Action Plan(Annexure 3),Management Report with Annexures (Annexure 4).

AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30 June 2013.

Audit Committee Members and Attendance

The Audit Committee, consist of independent outside members who were appointed with effect from the 1st July 2012 and they performed their duties as legislated in section 166 of Municipal Finance Management Act. There has been 04 ordinary audit committee meetings and 06 special meetings for the year under review

Audit Committee Responsibility

The audit committee reports that since its appointment, it has fully complied with its responsibilities arising from section 166 of the MFMA. The Committee also reports that it has adopted the appropriate terms of reference as per the audit committee charter, has regulated its affairs in compliance with the charter and has fully discharged its responsibilities.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report with the Accounting Officer;
- reviewed and discussed the draft annual report with Accounting Officer

.....

KHOLONG T.S
CHAIRPERSON OF THE AUDIT COMMITTEE

Date: 04 FEBRUARY 2014

Comparison of performance targets

| Spatial Rational | |
|--|---|
| 2011/2012 | 2012/2013 |
| 123 land application processed | 151 land use application processed |
| 02 targets achieved | 01 target achieved |
| Municipal Transformation | |
| low rating of IDP | high rating of IDT |
| 0 vacant post of section 56 managers was filled | 02 vacant post of section 56 managers filled. |
| 121 employees were trained | 40 employees trained |
| 30 employees declared their financial interests | 68 employees declared their financial interest |
| 27 learners were assisted with experiential training | 27 learners assisted with experiential training |
| 04 council meetings held | 03 council meetings held |
| 0 lease agreements were reviewed | 09 lease agreement reviewed |
| 04 quarterly reports were compiled | 04 quarterly reports compiled |
| 10 targets achieved | 22 targets achieved |
| Basic Services | |
| 9331 household with access to refuse removal | 9584 households with access to refuse removal |
| 900 households with access to free basic electricity | 800 households with free basic electricity |
| 41 learners were assisted with mayor's bursary | 37 learners were assisted with mayors bursary |
| 02 road construction completed and 04 road designs completed | 03 road construction completed and 01 road design completed |
| 05 capital projects were rolled over to the financial year 2012/2013 | 0 capital projects were rolled over to 2013/2014 financial year |
| 100% MIG spending | 100% MIG spending |
| 444 jobs were created through EPWP | 371 jobs were created through EPWP |
| 25 targets achieved | 32 target achieved |
| Local Economic Development | |
| 01 target achieved | 02 targets achieved |
| Financial Viability | |
| 11 targets achieved | 10 targets achieved |
| Good Governance | |
| qualified audit opinion | qualified audit opinion |
| | |

APPENDICES

Appendix A-Councillors- Council Attendance

| number | Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represente d | No of meeting s held | no. of meeting s attended | No. of apologies for non- attendance | No of Absence without leave |
|---------------|----------------|---------------------|---|---------------------------------------|--|-------------------------------------|--|---|--|
| 01 | Mahlase | Kenneth Sedibaneng | PT | Finance and Infrastructure | 1 | 18 | 16 | 1 | 1 |
| 02 | Phatlane | Alfred | PT | MPAC and Infrastructure | 2 | 18 | 13 | 2 | 3 |
| 03 | Mahlangu | Mputsu David | PT | Community and Infrastructure | 3 | 18 | 17 | 1 | 0 |
| 04 | Lepota | Tseke Jan | PT | EXCO | 4 | 18 | 14 | 2 | 2 |
| 05 | Mmutle | Thabo Nelson | PT | MPAC, Finance and Infrastructure | 5 | 18 | 15 | 0 | 3 |
| 06 | Phala | Magabolle Lucas | PT | Community Development | 7 | 18 | 16 | 0 | 2 |
| 07 | Mzinyane | Daniel Monicca | PT | Strategic Dev. and Corporate services | 8 | 18 | 16 | 1 | 1 |
| 08 | Marapi | Maphahlane Shadrack | PT | Finance | 9 | 18 | 15 | 0 | 3 |
| 09 | Mehlape | Salaminah Hlaole | PT | Strategic and Dev. Planning | 14 | 18 | 13 | 5 | 0 |
| 10 | Mashifane | Hlekego Samson | PT | MPAC and Dev. Planning | 15 | 18 | 17 | 1 | 0 |
| 11 | Buda | Medo Zephania | PT | Corporate Services | 16 | 18 | 16 | 1 | 1 |

| number | Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represente d | No of meeting s held | no. of meeting s attended | No. of apologies for non- attendance | No of Absence without leave |
|--------|-------------|-----------------------|-------------------------------------|--|--|----------------------------|------------------------------------|---|--------------------------------------|
| 12 | Tshoma | Mmapetla Salamidah | PT | Corporate Services and Infrastructure | 17 | 18 | 14 | 2 | 2 |
| 13 | Matshipa | Mpoye Philimon | PT | Development Planning | 18 | 18 | 12 | 3 | 3 |
| 14 | Mahlangu | Julia | PT | Corporate Services | 19 | 18 | 13 | 1 | 4 |
| 15 | Matlala | Makhamise Simon | PT | Finance | 20 | 18 | 15 | 2 | 1 |
| 16 | Nduli | Msanyana Elias | PT | Community Services and MPAC | 21 | 18 | 17 | 0 | 1 |
| 17 | Tshoma | Lukas Hlabishi | PT | Community Services and Strategic Services | 22 | 18 | 14 | 2 | 2 |
| 18 | Mahlangu | Nomsa Ndazi | PT | Community Services and Dev. Planning | 23 | 18 | 18 | 0 | 0 |
| 19 | Mokganyetji | Thomas Mareme | PT | Corporate Services and Strategic planning | 24 | 18 | 16 | 2 | 0 |
| 20 | Mashilo | Malope Samaria | PT | Infrastructure and Strategic Planning | 25 | 18 | 17 | 1 | 0 |
| 21 | Motlafe | Manthwaleng Girly | PT | Infrastructure and Dev. Planning | 26 | 18 | 18 | 0 | 0 |
| 22 | Mohlala | Jan Matime | PT | Oversight | 27 | 18 | 16 | 1 | 1 |
| 23 | Tladi | Magetle David | PT | Strategic Planning and MPAC | 28 | 18 | 13 | 1 | 4 |
| 24 | Nkosi | Sipho Frans | PT | Finance and MPAC | 29 | 18 | 17 | 0 | 1 |

| number | Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represente d | No of meeting s held | no. of meeting s attended | No. of apologies for non- attendance | No of Absence without leave |
|--------|-------------------|----------------------|-------------------------------------|--|--|----------------------------|------------------------------------|---|--------------------------------------|
| 25 | Malekane | Mpho Sam | PT | Corporate Services and Oversight | 30 | 18 | 14 | 3 | 1 |
| 26 | Phahlamohlak a | Tebogo Mafereke | FT | Chief Whip and Programming | PR | 18 | 18 | 0 | 0 |
| 27 | Matemane | Matlakalane Windy | FT | Mayor, EXCO | PR | 18 | 18 | 0 | 0 |
| 28 | Madihlaba | Moraswana Frank | PT | EXCO | PR | 18 | 14 | 1 | 3 |
| 29 | Mamaila | Delly Suzan | FT | EXCO | PR | 18 | 12 | 2 | 4 |
| 30 | Mathale | Seun Manaswe | PT | Community | PR | 18 | 12 | 3 | 3 |
| 31 | Matjomane | Germinor Delly | PT | Infrastructure and Strategic Planning | PR | 18 | 17 | 1 | 0 |
| 32 | Masemola | Elias Mmasehle | FT | Speaker and Programming | PR | 18 | 18 | 0 | 0 |
| 33 | Skosana | Sibongile Linah | FT | MPAC | PR | 18 | 17 | 1 | 0 |
| 34 | Mathebe | Julia Lata | PT | Oversight and Corporate Services | PR | 18 | 16 | 2 | 0 |
| 35 | Tshoshane | Mynah Kanyane | PT | EXCO ,Programming and Strategic Planning | PR | 18 | 18 | 0 | 0 |
| 36 | Mahlangu | Annies Busisiwe | PT | EXCO | PR | 18 | 16 | 1 | 1 |
| 37 | Mahlangu | Thokozile Selina | FT | EXCO | PR | 18 | 14 | 2 | 2 |

| number | Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represente d | No of meeting s held | no. of meeting s attended | No. of apologies for non- attendance | No of Absence without leave |
|--------|-----------|--------------------------|-------------------------------------|---------------------------------------|--|----------------------------|------------------------------------|---|--------------------------------------|
| 38 | Mokgabudi | Motlare Piet | FT | EXCO | PR | 18 | 18 | 0 | 0 |
| 39 | Malatji | Meriam Nape | PT | Community | PR | 18 | 12 | 6 | 0 |
| 40 | Matsepe | Thapelo Stephina | PT | Finance | PR | 18 | 17 | 1 | 0 |
| 41 | Kabinie | Radipone Shirly Annah | PT | Community | PR | 18 | 16 | 2 | 0 |
| 42 | Kotze | Johan Pieter | PT | Infrastructure | 13 | 18 | 12 | 3 | 3 |
| 43 | Somo | Oupa Simon | PT | Strategic Planning | PR | 18 | 5 | 5 | 0 |
| 44 | Matsepe | Choloane David | PT | MPAC and Oversight | PR | 18 | 16 | 1 | 1 |
| 45 | Alberts | Rots | PT | EXCO and Finance | PR | 18 | 18 | 0 | 0 |
| 46 | Mhlanga | Christopher Thathane | PT | Corporate Services and Programming | 6 | 18 | 11 | 7 | 0 |
| 47 | Mogotji | Fanie Motshele | PT | EXCO | 10 | 18 | 10 | 5 | 3 |
| 48 | Maloba | Alpheus Matome | PT | Developmental Planning | 11 | 18 | 14 | 3 | 1 |
| 49 | Podile | Ramabane Johannes | PT | None | 12 | 18 | 11 | 6 | 1 |
| 50 | Ramphisa | Motiba William | PT | None | PR | 18 | 15 | 1 | 2 |
| 51 | Skosana | Jabulane Johannes | PT | None | PR | 18 | 16 | 1 | 1 |

| number | Surname | Full names | full time/ Part time FT/PT | Committee Allocated | Ward and /or Party represente d | No of meeting s held | no. of meeting s attended | No. of apologies for non- attendance | No of Absence without leave |
|--------|-----------|-----------------------|-------------------------------------|---------------------------|--|----------------------------|------------------------------------|---|--------------------------------------|
| 52 | Rakoena | Modibo Freda | PT | Community | PR | 18 | 14 | 3 | 1 |
| 53 | Mogamedi | Velaphi Velly | PT | Finance and MPAC | PR | 18 | 16 | 2 | 0 |
| 54 | Motau | Oupa Elias | PT | Development planning | PR | 18 | 16 | 1 | 1 |
| 55 | Maselela | Makuwa Shorty | PT | Developmental Planning | PR | 18 | 16 | 2 | 0 |
| 56 | Mokone | Motsatsi Phistos | PT | Community | PR | 18 | 10 | 3 | 5 |
| 57 | Ntuli | Thembinkosi Josiah | PT | Community | PR | 18 | 12 | 5 | 1 |
| 58 | Mkhaliphi | Isaac | PT | Strategic Planning | PR | 18 | 14 | 3 | 1 |
| 59 | Matsomane | Shiko Tebogo | PT | MPAC and Programming | PR | 18 | 15 | 0 | 3 |
| 6 | Maepa | Malakia Mokgoko | PT | Developmental Planning | PR | 18 | 6 | 5 | 7 |

Appendix B - Committees and Committee Purposes

| Committees (other than Mayoral/Executive Committee) and Purposes of Committees | |
|---|----------------------|
| Municipal Committee | Purpose of Committee |
| Corporate Services Committee | oversight role |
| Infrastructure Committee | oversight role |
| Finance Committee | oversight role |
| Social Development Committee | oversight role |
| Strategic Management Committee | oversight role |
| Development Planning Committee | oversight role |

Appendix C- Third Tier Administrative Structure

| Designation | Initial And Surname | Gender |
|---|---------------------|--------|
| Municipal Manager | Mrs. M Skosana | Female |
| Director strategic Management | Mr. M Kgware | Male |
| Acting Director Corporate Services | vacant | Male |
| Director Infrastructure | Ms T Komape | Female |
| Chief Financial Officer | Mr. M S Monageng | Male |
| Director Community Services | Mr. K E Tshesane | Male |
| Acting Director Development Planning | Mr. B.O Sethojoa | Male |
| Deputy Chief Financial Officer | Mr. R Palmer | Male |
| Legal Advisor | Ms O Nkoe | Female |
| Manager: Budget | Mr L. Sebelebetja | Male |
| Manager: Public Office Bearers | Mr. M M Mokganyetji | Male |
| Manager Assets | Mr. G Marshall | Male |
| Manager: Communications | Mrs M Burger | Female |
| Manager: Supply Chain Management | Mr M Mthimunye | Male |
| Manager Revenue | Mr B Mohlamme | Male |
| Manager: Hlogotlou | Mr. A Madiba | Male |
| Manager :Uitspanning | Mr. J Lepota | Male |
| Manager: Roosenekal | Mr. M F Mahlangu | Male |
| Manager: Motetema | Mr. C Masemola | Male |
| Manager: Electrical Maintenance | Mr. P Dreyer | Male |
| Manager: Human Resources | Mr. L. Mafiri | Male |
| Manager: Administration | Mr. G Ditshego | Male |
| Manager IT | Mr T. Mashaba | Male |

| Designation | Initial And Surname | Gender |
|--|---------------------|--------|
| Manager Environmental services | Ms M Mokhulwane | Female |
| Manager Expenditure | Mr. C Mtsweni | Male |
| Superintendent Roads Construction Unit | Mr. J Malaka | Male |
| Manager Traffic | Mr. C Coetzee | Male |
| Manager Roads | Mr. B Mkhonto | Male |
| Manager Licensing | Mr. D. Manzini | Male |
| Manager LED | Mr. M. Mathebe | Male |
| Manager IDP | Mr. J Motha | Male |
| PMU Manager | Mr H Mokgehle | Male |
| PMS Manager | Ms P Mdluli | Female |
| Electrical engineer | Mr K.K. Mametsa | Male |
| Chief Risk Officer | Mr K. Mathebe | Male |

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 | | |
| Air pollution | yes | |
| Building regulations | yes | |
| Child-care facilities | yes | |
| Electricity and gas reticulation | yes | |
| Fire-fighting services | yes | |
| Local tourism | yes | |
| Municipal airports | No | |
| Municipal planning | yes | |
| Municipal health services | yes | |
| Municipal public transport | yes | |
| 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 | yes | |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and | yes | |

| | | |
|--|-----|----------------------------------|
| related matters | | |
| Stormwater management systems in built-up areas | yes | |
| Trading regulations | yes | |
| Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems | No | Sekhukhune District Municipality |

| 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 | no | |
| Billboards and the display of advertisements in public places | yes | |
| Cemeteries, funeral parlours and crematoria | yes | |
| Cleansing | yes | |
| Control of public nuisances | yes | |
| Control of undertakings that sell liquor to the public | yes | |
| Facilities for the accommodation, care and burial of animals | yes | |
| Fencing and fences | yes | |
| Licensing of dogs | no | |
| Licensing and control of undertakings that sell food to the public | yes | |
| Local amenities | yes | |
| Local sport facilities | yes | |
| Markets | yes | |
| Municipal abattoirs | yes | |
| Municipal parks and recreation | yes | |
| Municipal roads | yes | |
| Noise pollution | yes | |
| Pounds | yes | |
| Public places | yes | |
| Refuse removal, refuse dumps, and solid waste disposal | yes | |
| Street trading | yes | |
| Street lighting | yes | |
| Traffic and parking | yes | |

Appendix E - Ward Reporting

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| Ward No 01 | Cllr:Mahlase Kenneth | yes | 41 | 17 | 7 |
| | Ward Committees: Mphela Armelia, Mahlangu Goodness, Gededzha Mavis, Ramphisa Linah, Matlou Selinah, Kgomo Peter, Matuludi Cedrick, , Kgalema Klaas and Phahlane Helen | | | | |
| Ward No 02 | Cllr: Phatlane Banda | yes | 05 | 05 | 00 |
| | Ward Committees: Phasha Solomon, Phatlane Lucy, Ralekwe Dolly, Dunge Olga, Matsane Gladys, Lebeso Tebogo, Mathabathe Mpho, Motau Rosina, Masombuka Naledi and Mosoma Walter | | | | |
| Ward No 03 | Cllr: Mahlangu Mputsu | yes | 02 | 02 | 08 |
| | Ward Committees: Makau Hlakudi, Mathebe Stephens, Simango Lebogang, Mohlala | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Margareth, Sithole Elsie, Malapela Frans, Ditshego Moses, Mokwane Matron and Malefahlo Mamotsepe | | | | |
| Ward No 04 | Cllr: Lepota Tseke | yes | 09 | 07 | 00 |
| | Ward Committees: Malemone Herman, Moima Lizzy, Mashabela Lucas, Mampuru Olivia, Aphone Francinah, Mphahlele Martha, Malapela Kenneth, Leshabane Janeth, Mashabela Dipuo and Dwaba Lebogang | | | | |
| Ward No 05 | Cllr: Mmutle Thabo | yes | 02 | 05 | 05 |
| | Ward Committees: Mokoena Moses, Motau Kholofelo, Leope Nelly, Rasegatle Robert, Mokwena Anna, Kutu Sarah, Makweoane Agnes, Mohlala Jameson, Makolane Selomang and Makgoleng William | | | | |
| Ward No 06 | Cllr: Mhlanga Chris | yes | 05 | 05 | 00 |
| | Ward Committees: Limakwe Nokwenda, Mbonani Linda, Moloji Zodwa, Phokwane Nkosinathi, Mogola | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Johannah, Ncongwane John, Mashego Poppi, Mahlangu Simon, Mzizi David and Ngwenya Zodwa | | | | |
| Ward No 07 | Cllr: Phala Lucas | yes | 11 | 06 | 06 |
| | Ward Committees: Mkhwanazi Mavis, Mokgabudi Class, Magagula Lebogang, Sithole Thembu, Mashishi Mpho, Maseko Agnes, Mnisi Isaac, Mashego Petrus, Mogajane Johannes and Mabelane John | | | | |
| Ward No 08 | Cllr: Mzinyane Monica | yes | 08 | 03 | 01 |
| | Ward Committee: Mtshwene Merriam, Makitla Melfort, Seopela Fetsi, Ntobeng Mavis, Makua Spokes, Makitla Brenda, Ditshego Johannes, Magana Josephine and Moima Francinah | | | | |
| Ward No 09 | Cllr: Marapi Maphahlane | yes | 17 | 03 | 02 |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Ward Committees:Mathebe Violet,Mahlangu Thembi,Kgaladi Shila,Nkosi Themba,Mankge Johannes,Mongale Gladys,Kgaladi Johannes,Nkosi Nkosinathi and Mathebe Florence | | | | |
| Ward No 10 | Cllr:Mogotji Motshele | yes | 00 | 00 | 00 |
| | Ward Committees:Phora Ntswaki,Mathebe Makgatle, Madisa Chipane, Matlala Julia,Mokone Shierly,Mohlamonyane Patience,Mohlamonyane Nelly,Mohlamonyane Jan,Makgane Edgar and Madisa Kgadi | | | | |
| Ward No 11 | Cllr:Maloba Matome | yes | 05 | 05 | 01 |
| | Ward Committees:Mariri Wister,Mashiloane Don, Cekhu Dumani, Mokoena Howard,Mthombeni Bangiswane, Mtshali Chris, Phiri Dinah, Kgaphola Virginia and Mohlala Themba | | | | |
| Ward No 12 | Cllr:Podile Ramabane | yes | 08 | 13 | 07 |
| | Ward Committees:Mathabathe Granny, Phorothle Thabiso, Mohlamonyane Fridah, , | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Ditshego Linky, Phora Mahlodi, Phora Mahlodi, Phora Daniel, Makitla Alfred, Mathebe Kalodi And Sefoloshe | | | | |
| Ward No 13 | Cllr:Kotze Johan | yes | 00 | 00 | 00 |
| | Ward Committees:Maroga Peter, Rampedi Nancy, Mellors Shaun, Le Roux Juvena, Synders Piet, Dinah Pochane, Solomon Nonyane, Johannes Thulare, Arno Schoombee and Rebecca Fakude | | | | |
| Ward No 14 | Cllr:Mehlape Hlaole | yes | 05 | 04 | 00 |
| | Ward Committees:Maleka Steven, Ramodipa Enock, Mashabela Phillemon, Bogopa Botha, Molwele Kgaugelo, Makeke Mpilo, Mokgwatsana Antonia, Nkwana Rwadimane and Mabuza Mami | | | | |
| Ward No 15 | Cllr:Mashifane Hlekego | yes | 00 | 00 | 00 |
| | Ward Committees:Mtsheni Syria, Mahlangu Vusy, Mokabane Esther, Mokoana Boy, Mokoana Alphrat, Mokoana Dorah, Mnguni Nathi, Mogaela Salome, Mohlahlo Dolly and Maredi Jan | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| Ward No 16 | Cllr:Buda Mido | yes | 01 | 01 | 01 |
| | Ward Committees:Ntuli Selina, Zulu Ben, Mamaila Doctor, Mthweni Jan, Mthimunye Maria, Mashilangwako Josephine, Mokoena Rose, Mtsweni Balise, Mthombeni Lucas and Masilela Khennet | | | | |
| Ward No 17 | Cllr:Tshoma Salamidah | yes | 03 | 04 | 02 |
| | Ward Committees:Nkadimeng Freddy, Kgarea Viniger, Malema July, Mampuru Francinah, Malatjie Mkgadi, Madihlaba Motlalepule, Thipe Thabo, Monama Thomas Tshigo Phindile and Manyaka Lawrence | | | | |
| Ward No 18 | Cllr:Matshipa Mpoeye | yes | 01 | 01 | 00 |
| | Ward Committees:Mosotho Mooiman, Shaku Erick, Rakgalakane Jullie, Mosehla Rose, Mtshwene Shemeng, Makua Nelson, Monareng Reginnah, Makua Petrus, Phetla Joyce and Mogana Emmah | | | | |
| Ward No 19 | Cllr:Mahlangu Julia | yes | 04 | 06 | 01 |
| | Ward Committees:Skhosana Delisiwe, | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Mahlangu Caro, Msiza Meisie, Mahlangu Themba, Mahlangu Elizabeth, Mashiga Nkosinathi, Mokwana Mickie, Mahlangu Tolly, Digaota Jimmy and Chego Kg | | | | |
| Ward No 20 | Cllr:Matlala Makhamise | yes | 07 | 07 | 01 |
| | Ward Committees:Nkosi Monica, Chego Piet, Selepe Zephora, Molomo Jafta, Matlala Frida, Machika Themba, Maredi Debora, Mokwana Thorwane, Moloko Annah and Zwane Zanele | | | | |
| Ward No 21 | Cllr:Nduli Elias | yes | 02 | 06 | 03 |
| | Ward Committees:Makeke George, Radingoana Victor, Muleka Steven, Tiase Selina, Sekwane Manche, Khoza Dipuo, Mthimunye Mavis, Mthombeni Elizabeth, Mashego Phillimon and Maphanga Nhlanhla | | | | |
| Ward No 22 | Cllr:Tshoma Hlabishi | yes | 19 | 16 | 09 |
| | Ward Committees:Matsepe Motlalekgomo, Masehla Dineo, Mealies Nebi, Malaka Sheila, Moramaga Maphathagane, Lerutla Serolo, Mashiloane Mogale, Lerobane | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Mamutle and Moramaga Patric | | | | |
| Ward No 23 | Cllr:Mahlangu Nomsa | yes | 04 | 06 | 03 |
| | Ward Committees:Skhosana Brandy, Mahlangu Annah, Ntuli Lettie, Mahlangu Elias, Madihlaba Milzon, Mohlahlo Mahlatse, Seabi Elizabeth, Mtweni Samson, Mphelane Kedibone and Mthimunye Siphon | | | | |
| Ward No 24 | Cllr:Mokganyetji Mareme | yes | 09 | 13 | 06 |
| | Ward Committees:Nkadimeng Bella, Mdau Themba, Mokoana Molebaleng, Mmakau Daniel, Mathelele Pheladi, Tjiane Rebhone, Mosotho Piet, Thobejane Setimo and Molapo Jeaneth | | | | |
| Ward No 25 | Cllr:Mashilo Samaria | yes | 06 | 07 | 01 |
| | Ward Committees:Masetlane Eric, Magaga Nthotse, Ratau Leah, Phala Florah, Lekala Reginah, Motshana Jack, Phetla Johannes, Skosana Job, Matsepe Kope and Motla Sinah | | | | |
| Ward No 26 | Cllr:Motlafe Manthwaleng | yes | 04 | 03 | 01 |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Ward Committees: Masekela Lindiwe, Mpubane Lorrain, Mokwena John, Matladi Morongwe, Mahlangu Edwin, Masemola Kagiso, Maipushe Beauc, Namane Betty, Mokwana Irine | | | | |
| Ward No 27 | Cllr: Mohlala Matime | yes | 05 | 06 | 02 |
| | Ward Committees: Makua Martha, Tshehla Andy, Tlaka Wiseman, Kabini Claudine, Mohlala Johannes, Tlaka Beauty, Letuke Maihwana, Machika Matholo and Mohlala Jackson | | | | |
| Ward No 28 | Cllr: Tladi Magatle | yes | 04 | 05 | 03 |
| | Ward Committees: Makola Trevor, Tladi Patrick, Dikotope Jerren, Matuludi Eva, Tshehla Lucia, Senamela Ramathabathe, Mashifane Maria, Makuwa Thuso, Maipushe Sekina and Maphupha Kenneth | | | | |
| Ward No 29 | Cllr: Nkosi Sipho | yes | 04 | 04 | 00 |
| | Ward Committees: Nchabeleng Letsoko, Maleka Christina, Sekulane Clementine, Mashao David, Kgonyane Virginia, | | | | |

| 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 Year | Number of Monthly Reports Submitted to Speakers' Office on Time | Number of Quarterly Public Ward Meetings Held During Year |
| | Mahlangu Nini, Mathabatha Matsatsi, Raseroka Solomon, Mokgabudi Comfort and Motsepe Enny | | | | |
| Ward No 30 | Cllr:Malekane Mpho | yes | 08 | 03 | 01 |
| | Ward Committees:Maabane Bongji, Magolego Conny, Maseko Zodwa, Madihlaba Losta, Kobo Richard, Makuwa John, Maphaka Elias, Sepodumo Shadrack, Kgopa Andries and Masha | | | | |

Appendix F - Ward Information

Ward Title: Ward Name (Number)

| Capital Projects: Seven Largest in 2012/13 (Full List in Appendix N) | | | | |
|---|---|-------------------|-----------------|--------------------|
| R'000 | | | | |
| No | Project Name & Detail | Start Date | End Date | Total Value |
| 25 | Ramogwerane to Nkadimeng road phase 5 (4.5KM) | 24/07/2012 | 30 July 2013 | R19 277 480.21 |
| 27 | Nyakelang village upgrading of bus route phs3 (2km) | 20/07/2012 | 26/04/2013 | R11 792 374.96 |
| 16 | Zaaiplaas village upgrading of public road (Police station) Phs 3 (1.3km) | 20/07/2012 | 21/01/2013 | R 5 665 400.00 |
| 13 | Groblersdal development of erf 885 | 20/07/2012 | 15/10/2013 | R 4 464 209.74 |
| 2 | Moteti B upgrading of bus route from gravel to asphalt | 10/01/2012 | 10/04/2013 | R 2 000 000.00 |
| 10,14,25,26&19 | Designs for upgrading of Magoshi roads | 20/07/2012 | 15/12/2012 | R1500000.00 |
| | | | | TF.1 |

| Top Four Service Delivery Priorities for Ward (Highest Priority First) | |
|---|--|
| Priority Name and Detail | Progress During 2012/13 |
| Water | |
| Sanitation | |
| | 17 households electrified Groblersdal development of ERF 885 |
| Housing | |

Appendix G - Recommendations of the Municipal Audit Committee 2012/13

| Municipal Audit Committee Recommendations | | |
|--|---|---|
| Date of Committee | Committee Recommendations During 2012/13 | Recommendations Adopted (enter Yes); not adopted (provide explanation) |
| 06 August 2012 | That the Audit Committee Charter be approved by Council. | Yes |
| 06 August 2012 | That urgent and immediate action be taken to build internal audit capacity within the municipality | Yes- Chief Internal Auditor appointed and started on 01 October 2013 |
| 06 August 2012 | That urgent action be taken to fill strategic vacant positions especially that of Chief Financial Officer. | Yes |
| 24 January 2013 | a panel of Attorneys must be put into place to avoid the risk of non-compliance with the supply chain management regulations in the procurement of legal services | Yes |
| 24 January 2013 | That there must be better contract management of Consultants assisting the CFO and the municipality with the work of valuation roll and asset management. | Yes |
| 24 January 2013 | That strategy must be devised by management including targeting and segmentation of debtors to improve collection. | Yes |
| 24 January 2013 | That debtors from the old system be assessed and where appropriate recommendation to Council be made to write-off such irrecoverable debts. | Yes |
| 24 January 2013 | That action plan by management be developed to address debt collection. | Yes |
| 11 April 2013 | That the strategic risk register must be aligned with the objectives set out in the IDP and the SDBIP. | Yes |

Appendix H – Long-Term Contracts and Public-Private Partnerships

| Long-Term Contracts (20 Largest Contracts Entered into 2012/13) | | | | | |
|--|---|-------------------------------|--------------------------------|------------------------|-----------------------|
| Name of service provider (entity of municipal department) | Description of services rendered by service provider | Start date of contract | Expiry date of contract | Project Manager | Contract value |
| Tlou Integrated Technology | Designs for Magoshi roads | 20/07/2012 | 28/03/2015 | Levae Kekana | R 1 500 000.00 |
| | | | | | |
| | | | | | |

Appendix I - Disclosures of Financial Interests

| Disclosures of Financial Interests | | |
|---|-------------|--|
| Period 1 July 2011 - 30 June 2012 | | |
| Position | Name | Description of Financial Interest* (Nil/or details) |
| (Executive) Mayor | n/a | Nil |
| Member of Mayco/EXCO | n/a | Nil |
| | n/a | |
| | n/a | |
| Councillor | | Nil |
| 18 councilors | | |
| | | |
| Municipal Manager | n/a | Nil |
| Chief Financial Officer | n/a | Nil |
| Deputy MM and (Executive) Directors | n/a | Nil |
| | n/a | |
| | n/a | |
| Other S57 Officials | n/a | Nil |
| | | |

Appendix J - 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 | |
| Neighbourhood development Partnership grant | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| Public transport infrastructure and systems grant | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| Other: EPWP | R1.0m. | 0 | R1.0m. | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| Total | | | | % | % | |

Appendix K: Capital Expenditure – New & Upgrade/Renewal Programmes

Appendix M (IK) Capital Expenditure - New Assets Programme

| Capital expenditure – New Assets programme* | | | | | | | |
|---|---------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| Description | 2012/13 | 2012/13 | | | Planned capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by asset class | | | | | | | |
| Infrastructure - Total | - | - | | - | - | - | - |
| <i>Infrastructure: Road transport – Total</i> | R38m | R38m | 0 | R38m | | | |
| <i>Roads, pavements & bridges</i> | | | | | | | |
| <i>Stormwater</i> | | | | | | | |
| Infrastructure: Electricity - Total | R3.2m | R3.2m | 0 | R3.2m | | | |
| <i>Generation</i> | | | | | | | |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| <i>Transmission &reticulation</i> | | | | | | | |
| <i>Street lighting</i> | | | | | | | |
| Infrastructure: Water – Total | | | | | | | |
| <i>Dams &reservoirs</i> | | | | | | | |
| <i>Water purification</i> | | | | | | | |
| <i>Reticulation</i> | | | | | | | |
| Infrastructure: Sanitation - Total | | | | | | | |
| <i>Reticulation</i> | | | | | | | |
| <i>Sewerage purification</i> | | | | | | | |
| Infrastructure: Other - Total | | | | | | | |
| <i>Waste management</i> | | | | | | | |
| <i>Transportation</i> | | | | | | | |
| <i>Gas</i> | | | | | | | |
| <i>Other</i> | | | | | | | |
| <u>Community – Total</u> | | | | | | | |
| <i>Parks &gardens</i> | | | | | | | |
| <i>Sports fields&stadia</i> | | | | | | | |
| <i>Swimming pools</i> | | | | | | | |
| <i>Community halls</i> | | | | | | | |
| <i>Libraries</i> | | | | | | | |
| <i>Recreational facilities</i> | | | | | | | |
| <i>Fire, safety & emergency</i> | | | | | | | |
| <i>Security and policing</i> | | | | | | | |
| <i>Buses</i> | | | | | | | |
| <i>Clinics</i> | | | | | | | |
| <i>Museums &art galleries</i> | | | | | | | |
| <i>Cemeteries</i> | | | | | | | |
| <i>Social rental housing</i> | | | | | | | |

| | | | | | | | |
|-------|--|--|--|--|--|--|--|
| Other | | | | | | | |
|-------|--|--|--|--|--|--|--|

| | | | | | | | |
|--|---|---|--|---|---|---|---|
| Capital expenditure by asset class | | | | | | | |
| Heritage assets total | - | - | | - | - | - | - |
| <i>Buildings</i> | | | | | | | |
| <i>other</i> | | | | | | | |
| Investment properties - total | - | - | | - | - | - | - |
| <i>Housing development</i> | | | | | | | |
| <i>Other</i> | | | | | | | |
| Other assets | - | - | | - | - | - | - |
| 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 | | | | | | | |
| Agricultural Assets | - | - | | - | - | - | - |
| <i>List sub-class</i> | | | | | | | |
| Biological assets | | | | | | | |
| <i>List sub-class</i> | | | | | | | |
| Intangibles | | | | | | | |
| <i>Computers - software & programming</i> | | | | | | | |
| <i>Other (list sub-class)</i> | | | | | | | |
| <i>Total capital expenditure on renewal of existing assets</i> | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Appendix K (II): Capital Expenditure -Upgrade/Renewal Programme

| Capital Expenditure -Upgrade/Renewal Programme* | | | | | | | |
|---|------------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| R`000 | | | | | | | |
| Description | 2011/12 | 2011/12 | | | Planned Capital Expenditure | | |
| | Actual | Original budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by asset class | - | - | | - | - | - | - |
| Infrastructure – Total | - | 639564 | 0 | 6395648.5 | - | - | - |
| Infrastructure: road transport-total | 6395648.52 | 8352 | | 2 | | | |
| <i>Roads, pavements & bridges</i> | | | | | | | |
| <i>Stormwater</i> | | | | | | | |
| Infrastructure: electricity - Total | - | - | | - | - | - | - |
| <i>Generation</i> | | | | | | | |
| <i>Transmission &reticulation</i> | | | | | | | |
| <i>Street lighting</i> | | | | | | | |
| Infrastructure: water -Total | - | - | | - | - | - | - |
| <i>Dams &reservoirs</i> | | | | | | | |
| <i>Water purification</i> | | | | | | | |
| <i>Reticulation</i> | | | | | | | |
| Infrastructure: Sanitation - Total | - | - | | - | - | - | - |
| <i>Reticulation</i> | | | | | | | |
| <i>Sewerage purification</i> | - | - | | - | - | - | - |
| Infrastructure: other Total | | | | | | | |
| <i>Waste management</i> | | | | | | | |
| <i>Transportation</i> | | | | | | | |
| <i>Gas</i> | | | | | | | |
| <i>Other</i> | - | - | | - | - | - | - |
| Community | | | | | | | |
| <i>Parks &gardens</i> | | | | | | | |
| <i>Sport fields&stadia</i> | | | | | | | |
| <i>Swimming pools</i> | | | | | | | |
| <i>Community halls</i> | | | | | | | |
| <i>Libraries</i> | | | | | | | |
| <i>Recreational facilities</i> | | | | | | | |
| <i>Fire, safety & emergency</i> | | | | | | | |
| <i>Security and policing</i> | | | | | | | |
| <i>Buses</i> | | | | | | | |
| <i>Clinics</i> | | | | | | | |
| <i>Museums &art galleries</i> | | | | | | | |
| <i>Cemeteries</i> | | | | | | | |

| | | | | | | | |
|------------------------|---|---|--|---|---|---|---|
| Social rental housing | - | - | | - | - | - | - |
| Other | | | | | | | |
| Heritage assets | | | | | | | |
| Buildings | | | | | | | |
| Other | | | | | | | |

Appendix L – Capital Programme by Project 2012/13

| Capital Programme by Project 2012/13 | | | | | |
|---|------------------------|--------------------------|-----------------|-----------------------------|----------------------------|
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act-Adj) % | Variance (Act-OB) % |
| Water | | | | | |
| District function | | | | | |
| Sanitation/Sewerage | | | | | |
| District function | | | | | |
| Electricity | | | | | |
| Waalkraal Electrification | | | | | |
| Groblerdsdal Erf 885 | R 2,000 000.00 | 0 | R 2, 000 000.00 | | |
| “Project B” | | | | | |
| Housing | | | | | |
| “Project A” | | | | | |
| “Project B” | | | | | |
| Refuse removal | | | | | |
| “Project A” | | | | | |
| “Project B” | | | | | |
| Stormwater | | | | | |
| Ramogwerane to Nkadameng road phase 5 (4.5KM) | R19 277 480.00 | 0 | R19 277 480.00 | | |
| Nyakelang village upgrading of bus route phs3 (2km) | R11 792 374.00 | 0 | R11 792 374.00 | | |
| Zaaiplaas village upgrading of public road (Police station) Phs 3 (1.3km) | R 5 665 400.00 | 0 | R 5 665 400.00 | | |
| Moteti B upgrading of bus route from gravel to asphalt | R 2000 000.00 | 0 | R 2 000 000.00 | | |
| Economic Development | | | | | |
| “Project A” | | | | | |
| “Project B” | | | | | |

| | | | | | |
|-----------------------------------|--|--|--|--|----|
| Sports, Arts & Culture | | | | | |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Environment | | | | | |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Health | | | | | |
| "Project A" | | | | | |
| "Project B" | | | | | |
| Safety & Security | | | | | |
| "Project A" | | | | | |
| "Project B" | | | | | |
| ICT and other | | | | | |
| "Project A" | | | | | |
| "Project B" | | | | | |
| | | | | | TN |

Appendix M– Capital Programme by Project by Ward 2011/12

| Capital Programme by Project by Ward 2012/13 | | |
|---|-------------------------|---------------------------------|
| R`000 | | |
| Capital Project | Ward(s) affected | Works completed (Yes/No) |
| Water | | |
| District function | | |
| Sanitation/sewerage | | |
| District function | | |
| Electricity | | |
| Housing | | |
| Roads & stormwater | | |
| Ramogwerane to Nkadimeng road phase 5 (4.5KM) | 25 | yes |
| Nyakelang village upgrading of bus route phs3 (2km) | 27 | yes |
| Zaaiplaas village upgrading of public road (Police station) Phs 3 (1.3km) | 16 | yes |
| Moteti B upgrading of bus route from gravel to asphalt | 2 | yes |

Appendix N – Service Connection Backlogs at Schools and Clinics

| Service Backlogs: Schools & Clinics | | | | |
|--|--------------|-------------------|--------------------|-------------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (Names, Locations) | | | | |
| Schools | 0 | 0 | not established | |
| Clinics (names, locations) | 0 | 0 | not established | |

Appendix O – Service Backlogs Experienced by Community Where another Sphere of Government is Responsible for Service Provision

| Service Backlogs Experienced by Community Where Another Sphere of Government is the Service Provider (Whether or Not Municipality Act on Agency Basis) | | |
|---|--------------------------|---------------------------|
| Services and locations | Scale of backlogs | Impact of backlogs |
| Clinics | none | |
| Housing | none | |
| Licensing and testing centre | none | |
| Reservoirs | none | |
| Schools (primary & high) | none | |
| Sports fields | none | |

Appendix P- Declaration of Loans and Grants Made by Municipality

| Declaration of Loans And Grants Made by Municipality 2011/12 | | | | |
|---|--------------------------|---------------------------------------|----------------------------|--|
| All organisations or persons in receipt of loans*/Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value 2011/12 R`000 | Total amount committed over previous and future years |
| No grants and loans granted during the year under review | | | | |

Appendix Q - Declaration of Returns Not Made in Due Time Under MFMA S71

| MFMA Section 71 Returns Not Made During 2011/12 According to Reporting Requirements | |
|--|--|
| Return | Reason return not properly made on due date |
| All MFMA Section 71 returns were made according to reporting requirements, and submitted in time | |

ANNUAL FINANCIAL STATEMENTS

AUDIT ACTION PLAN

