

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



2016 -2017

ANNUAL REPORT



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| ACRONYMS

AG	: Auditor General
AFS	: Annual Financial Statements
ANC	: African National Congress
APC	: African People's Convention
AZAPO	: Azanian People's Organisation
CDW	: Community development worker
CFO	: Chief Financial Officer
CLLR	: Councilor
COGHSTA	: Department of Corporative Governance, Human Settlement and Traditional Affairs
COGTA	: Department of Corporative Governance and Traditional Affairs
COPE	: Congress of the People
CPMD	: Certificate Programme in Management Development
CWP	: Community Works Programme
EMLM	: Elias Motsoaledi Local Municipality
DA	: Democratic Alliance
EPWP	: Expanded Public Works Programme
ESS	: Employee Self Service
EXCO	: Executive Committee
FBE	: Free Basic Electricity
GIS	: Geographic Information System
GRAP	: General Recognized Accounting Practice
HR	: Human Resources
ICT	: Information Communication Technology
IDP	: Integrated Development Plan
INEP	: Integrated National Electrification Program
KM	: Kilometre
LGAAC	: Local Government Advanced Accounting Certificate
LUMS	: Land Use Management System

LGSETA	: Local Government Sector Education Training Authority
LGMIM	: Local Government Municipal Improvement Model
LED	: Local Economic Development
LIBSA	: Limpopo Business Support Agency
LLF	: Local Labour Forum
MIG	: Municipal Infrastructure Grant
MP	: Mpumalanga Party
MPAC	: Municipal Public Account Committee
MFMA	: Municipal Finance Management Act
MFMP	: Municipal Finance Management Programme
MSA	: Municipal Systems Act
MFMP	: Municipal Finance Management Program
Mscosa	: Municipal Standard Charts of Accounts
N/A	: Not applicable
OHS	: Occupational Health and Safety
PAC	: Pan African Congress
PMS	: Performance Management System
SCM	: Supply Chain Management
SDBIP	: Service Delivery and Budget Implementation Plan
SDM	: Sekhukhune District Municipality
SEDA	: Small Enterprise Development Agency
SMME	: Small, Medium and Micro Enterprises
SPLUMA	: Spatial Planning and Land Use Management Act
UIF	: United Independent Front / Unemployment Insurance Fund
WSP	: Work Skill Plan



VISION

The agro-economical and ecotourism heartland

MISSION

The Elias Motsoaledi Local Municipality is committed to:

- To ensure provision of sustainable services
- To deepen democracy through public participation and communication
- Provision of services in a transparent, fair and accountable manner
- Provide public value for money
- To create a conducive environment for job creation and economic growth

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CHAPTER 1



MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A : MAYOR'S FOREWORD

1.1 Mayor's foreword

Councillor Julia Lata Mathebe

Mayor: Elias Motsoaledi Local Municipality

VISION

"The agro-economical and ecotourism heartland"

The vision statement of the municipality which serves as a blueprint for developmental programme is "The agro-economical and ecotourism heartland". It dawns upon the leadership that providing the complete account on the responsibilities conferred upon the entire municipality will always be a daunting task to the electorate. This report is therefore intended to attest to the collective efforts of the administrative and political arms of the municipality to progressively address the expectations of our people.

INTRODUCTION

It is a pleasure for me to present Elias Motsoaledi Local Municipality 2016/17 Annual Report to our residents and other interested parties. The 2016/2017 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.

KEY POLICY DEVELOPMENTS

During planning phase the municipality had an engagement with the province and Sekhukhune district municipality to ensure alignment of provincial and municipal growth inclusive of development strategy hence the IDP has incorporated projects for both province and district municipality. The IDP was therefore tabled before council for adoption and was submitted to all sector departments and the district.

The Municipality's performance is measured by satisfying its key developmental objectives which are as follows:

- Ensuring sustainable and qualitative service delivery
- Improving Local Economy through revised LED strategy
- Achieving an unqualified audit opinion
- Facilitating and regularly updating the indigent register accurately
- Ensuring that monies owed to the municipality is collected
- Continuing to participate in programmes of HIV and AIDS, TB, Cancer through Local Aids Council (LAC)
- Improving Records Management System in terms of NARSA Act
- Conducting Public Participation and ensure the functionality of all governance structures for accountability.
- Fast tracking the implementation of infrastructure projects
- Strengthening the relationship with the traditional leaders

KEY SERVICE DELIVERY IMPROVEMENTS

The Municipality core service delivery functions are categorized into three: Electricity, Access roads and waste management. Municipality has 02 licensed landfill site in Groblersdal and Roosenekal and one transfer station in Hlogotlou. 6.3 kms of road was surfaced during the year under review. Municipality is licensed to provide electricity in 2 wards, ward 13 and ward 30 (Groblersdal and Roosenekal areas). The other 28 wards are Eskom licensed areas. Municipality has a backlog of 3.5% (3268) households without electricity. A total number of 60251 Households (96.5%) has access to Electricity (serviced both Eskom and EMLM). Ten villages namely Monsterlus stadium view, Makaepa, Tambo village, Masakaneng, Jabulani D3, Waalkraal A, Elandsdoorn A, Tshehla trust, Dipakapakeng, and Matsitsi were electrified through INEP grant and EMLM funds.

Municipality has created 69 jobs through EPWP projects and 1264 jobs created through CWP which is an increase from 768 CWP jobs created in 2015/2016 financial year. 01 flea market was hosted in Groblersdal town where local SMME'S exhibited their product for marketing.

PUBLIC PARTICIPATION

The municipality has 300 ward committees who conducts public meetings in their respective wards together with ward councillors and submit monthly reports to the Speaker. During the year under review

23 public meetings were held in different wards. Public participation process is used to inform communities about success and challenges that municipality encounter during service delivery. Public participation sessions were conducted through 2016/2017 IDP and Budget process where communities were given an opportunity to raise their needs to be incorporated in the 2016/2017 IDP and budget. Out of the total needs raised, only prioritized and budgeted needs were incorporated in the reviewed 2016/2017 IDP and budget.

AGREEMENTS / PARTNERSHIPS

The municipality is currently partnering with NYDA for implementation of entrepreneurship artisan programme for youth development.

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 forward.



.....
J. L. MATHEBE
MAYOR

COMPONENT B : EXECUTIVE SUMMARY



1.2 Municipal Manager's foreword

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 2016/2017 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.

The municipality is established to perform the following functions:

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 • Local tourism • Municipal planning • Municipal public transport • Municipal public works • 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

For the year under review, the municipality obtained qualified audit opinion with 06 basis of opinion which is a regress from the financial year 2015/2016 with 04 basis of opinion. The municipality has developed audit action plan to address all matters raised in the audit report and intends on improving 2017/2018 financial year's audit opinion.

EMLM is a rural municipality with high volume of outstanding consumer debtors that leads to financial burden with none and/or under-payment for municipal services. The municipality has however developed the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality. The Municipality had a total revenue budget of R413, 025 million that was adjusted upwards to R414, 976 million during budget adjustment. The actual revenue realized is R378, 125 million and this resulted in under-performance variance of R36, 850 million. All gazetted grants and subsidies amounting to R278, 524 million as well as an additional MIG allocation of R20 million were received. The grants contributed a major portion of the total revenue base. The grants dependency rate was 75, 60% on capital expenditure budget and 69, 53% on revenue budget. For the year under review municipality had unspent MIG of R20, 854 million and INEP of R9, 606 million and the rollover for unspent portion of conditional grants is been approved by treasury. All other conditional grants (FMG and EPWP) had 100% spending. Municipality has the finance lease for yellow fleet.

Municipality has 07 posts for senior managers with 06 filled and 01 vacant (corporate services) at the end of the financial year. We intend to reduce the vacancy rate of senior managers to zero in the next financial year of 2017/2018. All Senior Managers concluded their performance agreements and their performance was assessed by assessment panel during February 2017.

Council has adopted the Risk Management Policy, Risk Management Strategy and Risk registers (Strategic and Operational) that enable management to proactively identify and respond appropriately to all significant risks that could impact on business objectives. In line with the approved Risk Management Policy and Risk Management Strategy a top down approach has been adopted in developing the risk profiles of the organization. The results of the strategic and operational assessments were used to compile a risk register. Below is the top five risks identified and mitigation measures were implemented to address the risks.

- Inadequate strategies for financial sustainability
- Fraud, theft and corruption
- Failure to maintain proper accounting and management records
- Labour unrest/industrial action
- Land use disputes



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R.M MAREDI
MUNICIPAL MANAGER

1.3 MUNICIPAL OVERVIEW

Elias Motsoaledi Local Municipality is situated in Groblersdal area in Limpopo province. The municipality is in North East of Pretoria and is situated approximately 32 km from Loskop Dam, 100 km north of Bronkhorstspruit, 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.

The municipality is the second largest Municipality within Sekhukhune District Municipality (SDM) which comprise of a total of five local municipalities. Sekhukhune District Municipality is the second poorest District among South Africa's 13 nodal 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. The municipality consists of 30 Wards and 60 Councillor's and it is a category B municipality which shares the Executive and legislative authority with Sekhukhune District Municipality (Category C) within whose area it falls. The municipality is 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 • Local tourism • Municipal planning • Municipal public transport • Municipal public works • 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

1.1.3 Population group

Table 2: Total Municipal Population

Population	2011	2016	% Incr.
Males	115503	125 133	8.34%
Females	133860	143 123	6.92%
Total	249 363	268 256	7.58%

Source: STATS SA, Census 2011 and CS 2016

Of the total population of 268 256(97, 9%) is African black, with the other population groups making up the remaining (2, 1%).

Table 3: Population by Ethnic Group

Group	Percentage
Black African	97,6%
Coloured	0,2%
Indian/Asian	0,1%
White	2,1%
Other	-
TOTAL	100%

Source: 2016 STATS SA Community survey

Table 4: Population by Age Group

Age	Males	Females
0-4	6,4%	6,3%
5-9	6,2%	6,1%
10-14	5,7%	5,7%
15-19	7,0%	7,2%
20-24	6,2%	5,7%
25-29	5%	5,4%
30-34	3,6%	4,1%
35-39	2,0%	3,0%
40-44	1,7%	2,3%
45-49	1,6%	2,2%
50-54	1,2%	2,2%
55-59	1,2%	1,7%

Source: 2016 Stats SA Community survey

Table 4: Household by Ethnic and Gender Group

Population Group	Females	Male	Total
Black African	34 111	30 339	64450
Colored	106	34	140
Indian or Asian	0	78	78
White	470	1220	1 690
Other	-	-	-
TOTAL	34,688	31,671	66,359

Source: Stats SA. CS 2016

- There are 53.7% females and 46.3% males within the Municipality
- There is a large segment of youth (under 19 years) which comprises 47.9% of the total population

Table 5: Economic profile (employment)

Economic Indicators	
Employment Category	Percentage
Employed	57,1%
Unemployed	42,9%
Total	100%

Source: Stats SA Census 2011

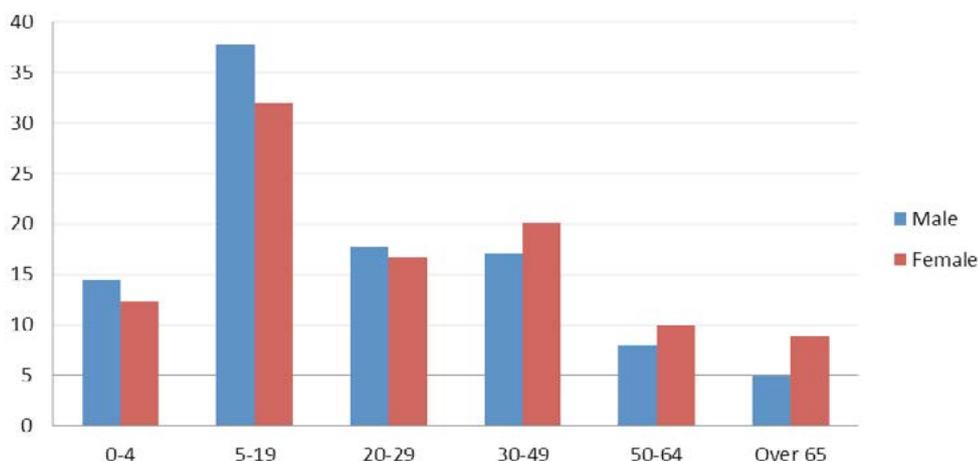
- There are more females 53.7% than males 46.3% within the Municipality.

The Municipal population is characterised with a large segment of youth (under 19 years) which comprises of 47.9% of the total population.

Based on the age structure breakdown of the Municipality, it is evident that the population is “young”, which is prevalent in a developing country. With the “young” age structure, increased pressure will be on the delivery of Housing, Social Facilities and Job Creation within the Municipality

Graph 1: age and gender distribution

Age and Gender Distribution (2011)



Source: Stats SA Census 2011

Table 6: Language Preference within the municipality

Language	%
Afrikaans	2,2%
English	0,2%
Isindebele	15%
Isixhosa	0,2%
Isizulu	8,4%
Sepedi	59,9%
Sesotho	1,1%
Setswana	7,1%
Sign language	0,0%
Siswati	1,5%
Tshivenda	0,2%
Xitsonga	1,5%
Other	0,5%
Not applicable	2,2%

Source: Stats SA .CS 2016

Table 7: The marital status within the municipality

Group	%
Married	16,6%
Living together	2,4%
Never married	50,6%
Widower/widow	2,2%
Separated	0,1%
Divorced	0,4%

The tables below indicate the tenure status in the municipal area. There is a clear indication that more of the land is occupied by individuals who have ownership than those that rent. The average household size has declined from 4.5 to 4.1 in 2001 and 2011 respectively.

Table 8: Age structure

Age	2011	%	2016	Percentage %
0-14	89 772	36	89 680	33,4
15-65	142 136	57	156229	58,2
65+	17 455	7	22347	8,3
Total	249 363	100	268256	99,9

Source: Stats SA 2011 and CS 2016

3.1.3. HOUSEHOLD DISTRIBUTION (Source: STATS SA community survey 2016)

The average household size of 4:1 persons has been influenced by the fact that approximately (38, 7%) of households have two (2) or less occupants. This phenomenon could be as a result of several factors including incorrect baseline data or that younger people have set up their own homes but this is contrary to the statistics with respect to age which reflects that there is a large segment of youth (under 19 years) which comprises 47.9% of the total population.

Table 9: Household Size

Household Size	Number 2016
1	15, 524
2	10, 015
3	9, 402
4	9, 268
5	7, 739
6	5, 513
7	3, 111
8	2, 214
9	1, 405
10+	2, 169
Total	66, 359

Source: stats SA. CS 2016

Interesting to note that (58, 1%) of all households are owned with the majority fully paid off.

Table 10: Tenure Status

Tenure Status	2016
Rented	3, 834
Owned but not yet paid off	5, 120
Occupied rent-free	14, 247
Owned and fully paid off	37, 498
Other	5, 152
Total	65, 851

Source: Stats SA. CS 2016

Another notable feature of the household statistics is that approximately (87, 4%) of all dwellings can be classified as formal structures as reflected in the following table.

Table 11: Type of dwelling per household

Type Of Dwelling	2016
House or brick/concrete block structure on a separate stand or yard or on a farm	48, 781
Traditional dwelling/hut/structure made of traditional materials	2, 740
Flat or apartment in a block of flats	192
Cluster house in complex	12
Townhouse (semi-detached house in a complex)	29
Semi-detached house	559
House/flat/room in backyard	
Informal dwelling (shack; in backyard)	2, 404
Informal dwelling (shack; not in backyard; e.g. In an informal/squatter settlement or on a farm)	1, 028
Room/flat let on a property or larger dwelling/servants quarters/granny flat	771
Caravan/tent	21
Other	1, 408
TOTAL	66, 359

Source: Stats SA. CS 2016

Table 12: Natural resources within EMLM

Natural Resources	
Major Natural Resource	Relevance to Community
Minerals	Economic empowerment and job creation
Dam	Agricultural use and consumption
Caves	Tourist attraction (Roosenekal)
Land	Agricultural and human settlement

1.4 SERVICE DELIVERY OVERVIEW

The Municipality core service delivery functions are categorized into three: Electricity, Access roads and waste management. Municipality has 02 licensed landfill site in Groblersdal and Roosenekal and one transfer station in Hlogotlou. 6.3 kms of road was surfaced during the year under review. Municipality is licensed to provide electricity in 2 wards, ward 13 and ward 30 (Groblersdal and Roosenekaal areas). The other 28 wards are Eskom licensed areas. Municipality has a backlog of 3.5% (3268) households without electricity. A total number of 60251 Households (96.5%) has access to Electricity (serviced both Eskom and EMLM). Ten villages namely Monsterlus stadium view, Makaepa, Tambo village, Masakaneng, Jabulani D3, Waalkraal A, Elandsdoorn A, Tshehla trust, Dipakapakeng, and Matsitsi were electrified through INEP grant and EMLM funds.

Municipality has created 69 jobs through EPWP projects and 1264 jobs created through CWP which is an increase from 768 CWP jobs created in 2015/2016 financial year. 01 flea market was hosted in Groblersdal town where local SMME'S exhibited their product for marketing.

The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, and waste disposal. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the municipality. Waste collection from residential premises is carried out on a weekly basis and bi-weekly from business premises. Housing function is provided by the Department of Corporative Governance, Human Settlement and Traditional Affairs. Water and sanitation is provided by Sekhukhune District municipality. Reliance on other sectors departments for services impose is a major challenge to the municipality.

The municipality is responsible for 100% access to local roads which include all streets in town, townships and villages. It ensures regular maintenance of roads with the objective of addressing specific needs. The majority of municipal roads are gravel roads.

1.5 FINANCIAL HEALTH OVERVIEW

1.5.1 BUDGET AND REVENUE COLLECTION

EMLM is a rural municipality with high volume of outstanding consumer debtors and this leads to financial burden with none and/or under-payment for municipal services. The municipality has however developed the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality.

The Municipality had a total revenue budget of R413, 025 million that was adjusted upwards to R414, 976 million during budget adjustment. The actual revenue realized is R378, 125 million and this resulted in under-performance variance of R36, 850 million. All gazetted grants and subsidies amounting to R278, 524 million as well as an additional MIG allocation of R20 million were received during the financial year under review and they contributed a major portion of the total revenue base of the municipality since the grants dependency rate thereof was 75, 60% on capital expenditure budget and 69, 53% on revenue budget. The municipality had unspent MIG of R20, 854 million and INEP of R9, 606 million in 2016/17 financial year and the roll over still need to be applied for the unspent portion of conditional grants. All other conditional grants, which is FMG and EPWP achieved 100% spending.

1.5.2 EXPENDITURE

The original budget for operating expenditure was R328, 915 million that was adjusted upwards to R378, 434 million and the actual expenditure thereof is R304, 206 million. This reflects a negative variance of R74, 227 million that is partly attributed to depreciation and debt impairment that are not yet effected on the financial system. The major portion of operating expenditure is employee related cost that had original budget of R109, 053 million and the budget was adjusted upwards to R112, 496 million and the actual expenditure thereof is R112, 790 million and the reflected over-spending variance that is attributed to overtime and redemption of leave days.

Table 12: Summary of financial overview

Financial Overview – 2016/17			
R'000			
Details	Original Budget	Adjustment Budget	Actual
Grants	288,524	298,524	265,441
Taxes, levies and tariffs	105,083	100,816	83,215
Other	19,418	15,636	29,469
Sub -Total	413,025	414,976	378,125
Less Expenditure	328,915	378,434	304,206
Net Total	84,109	36,542	73,919

Table 13: Operating ratios

Operating Ratios	
Detail	%
Employee Costs	43,69%
Repairs & Maintenance	3,16%
Finance Charges & Depreciation	0,38%

Table 14: Total capital expenditure

Total Capital Expenditure (R'000)		
Detail	2015/16	2016/17
Original Budget	99,981	94,449
Adjustment Budget	124,455	87,620
Actual	105,153	62,705

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.6.1 HUMAN RESOURCES OVERVIEW

Human resource services for the municipality are reasonably effective and efficient, and relatively meet the expectations of the community at large. The department is responsible for attracting skilled workforce, motivating workforce to perform the required tasks and continuous capacity building of personnel. The Municipality has 358 employees, 02 employees were terminated due to an end of their contracts, 01 resigned due to normal retirement age of sixty five (65) and 02 employees passed-on. The municipality has 07 critical positions of which 01 (senior manager executive support) became vacant due to end of contract.

1.6.2 COMMITTEES

The following committees were established in strengthening human resource management.

- EAP committee
- Batho Pele committee

1.6.3 BURSARIES

Municipality assisted 19 students with registration fees at registered tertiary institutions to the value of R190 000. Preference was given to students from poor family backgrounds.

1.6.4 WORKPLACE SKILLS PLAN (WSP)

Municipality has developed the WSP for the year for 2016/2017 and it was submitted to LGSETA on the 28 May 2016 together with the Annual Training report for the year under review. 55 employees and 07 councillors received training for the year under review. No mandatory grants in the form of rebates were received from the LGSETA for the under review.

1.7 AUDITOR GENERAL'S REPORT

The Audit finding for 2016/2017 financial year was a qualified opinion; refer to attached report on chapter 6. Municipality obtained qualified audit opinion for the previous six years (2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2016/2017). Audit action plan is in place as a corrective measure for improvement on the findings.

Basis for qualified opinion			
No.	2014/2015	2015/2016	2016/2017
1.	Leased Assets	Property rates	Revenue. Unknown properties on the valuation roll.
2.		Property plant and equipment	VAT receivable
3.		Fruitless and wasteful expenditure	Payables from exchange transactions
4.		Irregular expenditure	Lease rentals on operating lease
5.			Receivables from exchange transactions
6.			Section 32 Expenditures (Irregular, fruitless and wasteful and unauthorised expenditures)

1.8 STATUTORY ANNUAL REPORT PROCESS FOR 2016/2017

Table 16: statutory annual report process

No	Activity	Date	Responsibility
1	Finalise 4 th quarter report for previous financial year	30 July 2017	Municipal Manager
2	Submit draft annual report to internal audit and Auditor General	31 August 2017	Municipal Manager
3	Audit/Performance Committee considers draft annual report of municipality	26 August 2017	Municipal Manager
4	Mayor tables the unaudited annual report	27 August 2017	Mayor
5	Municipality submits draft annual report, including the consolidated annual financial statements and the performance report, to the Auditor General	31 August 2017	Municipal Manager
6	Auditor General assesses draft annual report, including the consolidated annual financial statements and performance data	31 August – 28 November 2017	Auditor General
7	Municipalities receive and start to address the Auditor General's comments	30 November 2017	Municipal Manager
8	MPAC Committee assesses the annual report	02-03 March 2018	MPAC Chairperson
9	Mayor tables annual report and audited financial statements to council, complete with the Auditor General's Report	22 January 2018	Mayor
10	Audited annual report is made public and representation is invited	29 January 2018	Municipal Manager
11	Council adopts oversight report	31 March 2018	Council
12	Oversight report is made public	01 April 2018	Municipal Manager
13	Oversight report is submitted to relevant provincial councils	07 April 2018	Municipal Manager

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.

02

CHAPTER 2



GOVERNANCE

COMPONENT A:

POLITICAL AND ADMINISTRATIVE GOVERNANCE

2 Introduction

Section 151 (3) of the constitution states that the council of municipality has the right to govern on its own initiative, the local government affairs of the local community. EMLM Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The Mayor is the political head of the Institution and the Speaker is the head of council. The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislations. The municipality has the authority to take any possible actions to effectively exercise powers assigned to it.

2.1 POLITICAL GOVERNANCE

The year 2016 marked the end of five years term for municipal councillors. On 03 August 2016 it was the day for national elections in the whole country which bore the new term for municipal council in municipalities across the country. After the elections, EMLM held its first council meeting on 19 August 2016 for the election of new Mayor, Speaker, chief whip and swearing in of all councillors. In the same meeting the chairpersons of section 80 committees inclusive of MPAC chairperson were elected. The new council comprises of 06 political parties namely: African National congress (ANC) with 41 seats, Economic Freedom Fighters (EFF) with 10 seats, Democratic Alliance (DA) with 05 seats, and Bolshevik Party of South Africa (BPSA) with 03 seats, Mpumalanga Party (MP) with 01 seat and South African Maintenance and Estate Beneficiaries Association (SAMEBA) with 01 seat. Demarcation board declared our municipality to have additional one ward which will makes EMLM to have 31 Wards and 61 Councillors as compared to 30 Wards and 60 Councillors it had the previous term.

After the inauguration of new councillors, all councillors attended induction session for one week at Loskop Dam from 12 to 16 September 2016 which was coordinated SALGA Limpopo. The objective of the induction session was to capacitate all councillors to be competent in their area of leadership and knowledge of local government legislations. In order to enhance good governance and accountability, Municipality adopted separation of powers model which separated legislative arm from executive arm. Council established Section 80 committees which provides general oversight and monitor the activities in the municipality over both the administrative and executive arms of the municipality.

This section 80 Committees are chaired by independent councillors other than members of executive committee. The following committees were established:

- Executive Committee (EXCO)
- Municipal Public Accounts Committee (MPAC)
- Section 79 portfolio committee
- Section 80 committee
- Corporate services Portfolio committee
- Infrastructure services Portfolio committee
- Budget and treasury Portfolio committee
- Community Services Portfolio committee
- Development planning Portfolio committee
- Executive Support Portfolio committee

The Speaker is a full-time councillor and takes responsibility for the running of council meetings. The Office of the Council-Whip is established to create synergy and to maintain discipline among councillors from various Political Parties. The Role of the Council-Whip covers both the political and administrative domains of council with emphasis on the political aspect. The Council-Whip deals with the well-being and particularly attendance of all councillors. The Council meetings are governed according to the approved rules of order.

Municipality has 53 part-time Councillors, 7 full-time Councillors, 10 Executive committee members, 20 party representative councillors and 31 ward councillors. There is a good relationship between councillors as they work cooperatively to achieve the set goals of the municipality. 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. Councillor's participation in various committees is satisfactory. For the year under review council held 5 ordinary and 7 special meetings.

Table 1: Committee annual meetings

Name of Meeting	Annual Target	Number of meetings convened	Number of meetings materialised	Total number of apologies received
Council committees				
Corporate Services	12	10	10	4
Strategic Department	12	0	0	0
Finance Department	12	12	11	3
Infrastructure Department	12	9	9	4
Development Planning	12	7	5	33
Community Services	12	7	7	10
Joint portfolio committee	-	2	2	0
Special Joint portfolio	-	-	-	-
Labour Forum	12	8	8	8
EXCO	12	12	12	7
Special EXCO	-	5	5	1
Council	4	5	5	46
Special Council	-	7	7	69
Programming	12	10	10	-
MPAC	4	10	10	14
SCM committees				
Specification	-	8	8	0
Evaluation	-	4	4	0
Adjudication	-	17	17	8

Table 2: EMLM Councillors information

WARD	PARTY	SURNAME	FULL NAMES	GENDER	CONTACT NO.
1	ANC	Mphela	Mojabeng Amelia	F	078 423 2082
2	ANC	Phatlane	Alfred	M	078 423 2094
3	ANC	Mamakoko	Mokgohlwe Lettie	F	078 423 2010
4	ANC	Moima	Lizzy Mahlatse	F	078 423 2233
5	ANC	Makweoane	Agnes Mapetle	F	078 423 2131
6	ANC	Ndlovu	Raymond Ndumiso	M	078 423 2245

WARD	PARTY	SURNAME	FULL NAMES	GENDER	CONTACT NO.
7	ANC	Phala	Magabolle Lucas	M	078 423 2280
8	ANC	Ratlou	Sefako Winter	M	078 423 2067
9	ANC	Ratau	Rose Mmapule	F	078 423 2074
10	ANC	Madisa	Kgadi Francinah	F	078 423 2283
11	ANC	Namane	Given Ranyaba	M	078 423 2038
12	ANC	Phorothhoe	Thabiso Andries	M	078 423 2033
14	ANC	Bogopa	Botha	M	078 423 2263
15	ANC	Mahlangu	Julia	F	078 423 2177
16	ANC	Zulu	Ben Madolombane	M	078 423 2306
17	ANC	Ratau	Tsimisi Thabiso		078 423 2154
18	ANC	Machipa	Toudi Aron	M	078 423 2114
19	ANC	Masimula	Phahlana	M	078 423 2273
20	ANC	Skhosana	Waziwa Jim	M	078 423 2251
21	ANC	Makeke	George Monnana	M	078 423 2127
22	ANC	Matsepe	Motialekgomo Maria	F	078 423 2088
23	ANC	Mahlangu	Nomsa Ndazi	F	078 423 2259
24	ANC	Mokganyetji	Thomas Mareme	M	078 423 2272
25	ANC	Maphopha	Emily Maabele	F	078 423 2069
26	ANC	Motlafe	Manthwaleng Girly	F	078 423 2059
27	ANC	Mokwane	Magdeline Kubane	F	078 423 2149
28	ANC	Maipushe	Sekina Manku	F	0784232118
29	ANC	Malatji	Meriam Nape	F	078 423 2202
30	ANC	Kgopa	Kgabo Silas	M	078 423 2295
31	ANC	Msiza	Mothibe Rhodes	M	078 423 2125

WARD	PARTY	SURNAME	FULL NAMES	GENDER	CONTACT NO.
PR1	ANC	Mathebe	Julia Lata	F	078 423 2078
PR2	ANC	Matjomane	Germinor Delly	F	078 423 2200
PR3	ANC	Tladi	Magetle David	M	078 423 2060
PR4	ANC	Phahlamohlaka	Tebogo Mafereke	M	078 423 2234
PR5	ANC	Mehlape	Salminah Hlaole	F	078 423 2036
PR6	ANC	Mmutle	Thabo Nelson	M	078 423 2308
PR7	ANC	Phetla	M.G	F	078 423 2281
PR8	ANC	Matsepe	Thapelo Stephina	F	078 423 2179
PR9	ANC	Makunyane	Hlako Justice	M	078 423 2051
PR10	ANC	Mashilo	Malope Samaria	F	078 423 2107
PR11	ANC	Makitla	Ramotlogeli Johannes	M	078 423 2118
PR1	BPSA	Mogotji	Fanie Motshele	M	078 423 2142
PR2	BPSA	Madondo	Vernatia-Claudia Philile	F	078 423 2035
PR3	BPSA	Mohlala	Moses Themba	M	078 423 2152
13	DA	Oosthuizen	Willem Nicolaas Saaiman	M	078 423 2117
PR1	DA	Alberts	Rots	M	078 423 2066
PR2	DA	Mathebe	Chipane Norman	M	078 423 2186
PR3	DA	Tshivhula	Murathi Pat	M	078 423 2282
PR4	DA	Kotze	Johan Pieter	M	078 423 2063
PR1	EFF	Hlathi	Margaret Zodwa	F	078 423 2195
PR2	EFF	Shai	Kweletsi Collen	M	078 423 2016
PR3	EFF	Lecheko	Virginia Morotse	F	078 423 2037
PR4	EFF	Ngwenya	Zodwa	F	078 423 2183
PR5	EFF	Ntuli	Mamotale Brenda	F	0837988080

WARD	PARTY	SURNAME	FULL NAMES	GENDER	CONTACT NO.
PR6	EFF	Mosotho	Mooimane Tatane	M	078 423 2034
PR7	EFF	Ranala	Maselopi	F	078 423 2171
PR8	EFF	Ntheko	Tshepo Mokgobo	M	078 423 2181
PR9	EFF	Mthombeni	Vensile Lea	F	078 423 2119
PR10	EFF	Maloba	Alpheus Matome	M	078 423 2053
PR1	MP	Ramphisa	Motiba William	M	078 423 2182
PR1	SAMEBA	Matunyane	Nthabiseng Topsis	F	078 423 2124

Table 3: Executive committee members

Surname and Initials	Party	Ward no./ PR	Contact number	Gender
Cllr: Mathebe L.J	ANC	PR	078 423 2078	Female
Cllr: Machipa T.A	ANC	18	078 423 2114	Male
Cllr: Matjomane G.D	ANC	PR	078 423 2200	Female
Cllr: Phatlane A	ANC	02	078 423 2094	Male
Cllr: Mmutle T.N	ANC	PR	078 423 2308	Male
Cllr: Mashilo M.S	ANC	PR	078 423 2107	Female
Cllr: Phetla M.G	ANC	PR	078 423 2281	Female
Cllr: Maloba A.M	EFF	PR	078 423 2053	Male
Cllr: Shai K.C	EFF	PR	078 423 2016	Male
Cllr: Kotze J.P	DA	PR	078 423 2063	Male

2.1.1 Section 80 committees

The established section 80 committees are 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 80 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. MPAC committee is also in place and performs its duties as per approved annual work programme. MPAC is an oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance.

Table 4: Section 79 portfolio committees

COMMITTEE	CHAIRPERSON	MEMBERS
Municipal Public Accounts Committee (MPAC)	Clr. Hlako Justice Makunyane	1.Clr. M.S. Mohlala 2.Clr. G.M. Motlafe 3.Clr. G.M. Makeke 4.Clr. J. Mahlangu 5.Clr. V.L. Mthombeni 6.Clr. M.L. Phala
Rules & Petitions	Clr. S.M. Maipushe	1.Clr. M. R. Msiza 2.Clr. T. M. Mokganyetji 3.Clr. S.W. Ratlou 4.Clr. T. A. Phorothloe 5.Clr. M.N. Malatji 6.Clr. P. Madondo
Ethics	Clr. M.L. Phala	1.Clr. M.G. Motlafe 2. Clr. G.M. Makeke 3. Clr. J. Mahlangu 4. Clr. T.M. Phahlamohlaka 5. Clr. A. Phatlane 6. Clr. T.M. Nhleko 7. Clr. N.T. Matunyane
Executive Support	Clr. T.M. Phorothloe	1.Clr. P. Masimula 2. Clr. K.S. Kgopa 3. Clr. T.T. Ratau (Whip) 4. Clr.M.B. Ntuli 5. Clr. F.M. Mogotji
Corporate Services	Clr. M.N. Malatji	1.Clr. G.R. Namane 2. Clr. M.L. Mamakoko 3. Clr. M.M. Matsepe (Whip) 4. Clr. R.J. Makitla 5. Clr. M.P. Tshivhula 6. Clr. M.T. Mosotho
COMMITTEE	CHAIRPERSON	MEMBERS
Community Services	Clr. T.M. Mokganyetji	1.Clr. M.K. Zulu 2. Clr. A.M. Mokweoane (Whip) 3.Clr. M.K. Mokwane 4. Clr. W. Oosthuizen 5. Clr. V.M. Lecheko
Budget & Treasury	Clr. S.W.Ratlou	1.Clr. E.M. Maphopha 2. Clr. L.M. Moima (Whip) 3. Clr. B. Bogopa 4. Clr. J. Kotze 5. Clr. S. Ngwenya
Development, Planning & LED	Clr. N.N. Mahlangu	1.Clr. R.N. Ndlovu 2. Clr. R.M. Ratau 3. Clr. S.M. Maipushe (Whip) 4. Clr. N.C. Mathebe 5. Clr. M. Ranala
Infrastructure	Clr. M.R. Msiza	1.Clr. W.J. Skosana 2. Clr.M.A. Mphela (Whip) 3. Clr. K. F. Madisa 4. Clr. T.S. Matsepe 5. Clr. A. Rots 6. Clr. M.Z. Hlathi

COMMITTEE	CHAIRPERSON	MEMBERS
Local Geographical Names Change Committee (LGNCC)	1.Clr. K.P. Madisa 2.Leader of Executive Business 3. Chair of Chairs 4. Chairperson of Section 79 Development, Planning & LED 5. Chairperson of Rules & Petition Committee 6. Exco Member- Development , Planning & LED 7. Whip of Council 8. Party Whips of the Opposition Parties in Council 9. District Representative- Clr. M.G. Motlafe 10. Traditional Authorities in Council	
Committee of Presiding Officers	Speaker	Clr. M.D. Tladi
	Chair of Chairs	Clr. S.H. Mehlape
Leader of Executive Business	Clr A. Machipa	
Council Whippery	Chief Whip of Council	
	Party Whip of ANC	
	Party Whip of EFF	
	Party Whip of DA	
	Party Whip of BPSA	
	Party Whip of SAMEBA	
	Party Whip of MP	
Sekhukhune District Representatives	Political Party	Councilor
	ANC	1.Clr. M.L. Phala 2.Clr. M.G. Motlafe 3.Clr. S.H. Hlaole 4.Clr. G.M. Makeke 5.Clr. J. Mahlangu
	DA	6.Clr. C.N. Mathebe
	EFF	1. Clr. M.T. Mosotho
SECTION 80 COMMITTEES		
COMMITTEE	CHAIRPERSON	MEMBERS
Budget & Treasury	Clr. T.A. Machipa	1. Clr.T.A. Phorothloe 2. Clr. W.J. Skosana 3. Clr. M.A. Mphela (Whip) 4. Clr. M.N. Malatji 5. Clr Matsepe TS 7. Clr Dr Rotze 8. Clr Hlathi M.Z
COMMITTEE	CHAIRPERSON	MEMBERS
Infrastructure	Clr Matjomane G.D	1. Clr Mokganyetji TM 2. Clr Zulu M.K 3. Clr Makweoane Mk 4. Clr Momwane M.K 5. Clr Kotze 6. Clr Shai K.C

COMMITTEE	CHAIRPERSON	MEMBERS
Community Services	Clr Mashilo S.M	1. Clr Ratlou S.W 2. Clr Maphopha E.M 3. Clr Moima L.M 4. Clr Bogopa B 5. Clr Maloba 6. Clr Mathebe C.N
Corporate Services	Clr Phatlane A	1. Clr Msiza M.R 2. Clr Masimula P 3. Clr Kgopa K.S 4. Clr Ratau T 5. Clr Ntuli MB 6. Clr Oosthuizen W
Development Planning	Clr Mmutle N.T	1. Clr Madisa K.F 2. Clr Namane G.R 3. Clr Mamakoko M.L 4. Clr Matsepe N.M 5. Clr Makitla R.J 6. Clr Mosotho M.T 7. Clr Tshivhula M.D
Executive Support	Clr Phetla PM	1. Clr Ndlovu R.N 2. Clr Ratau R.M 3. Clr Maipushe S.M 4. Clr Ranala M 5. Clr Mogotji F.M 6. Clr Mahlangu W.N

02

CHAPTER 2
continues



POLITICAL LEADERSHIP



*Councillor Julia Lata Mathebe
Mayor*



*Councillor Magetle David Tladi
Speaker*

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.

POWERS AND FUNCTIONS OF THE SPEAKER

- To preside at meetings of the council where she 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 provisions 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 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.



*Council Whip
Cllr. Tebogo Phahlamohlaka*

POWERS AND FUNCTIONS OF COUNCIL WHIP

The Office of the Whip of Council has been introduced by the Notice on the Upper Limits on Councillor Remuneration in 2006. The Whip of Council is not an Office Bearer in terms of the LG: Municipal Structures Act, so the Council is not legally obliged to adopt a terms of reference for the Whip. It is, however, advisable to commit to a clear definition of the role of the Whip in relation to that of the Speaker. Whilst there are no statutory functions for the Whip of Council, the SALGA Guideline Document on the Roles and Responsibilities of Councillors, Political Structures and Officials (March 2011) cites the following as the functions of the Whip of the Council:-

- Political management of council meetings and committee meetings
- Inform councillors of meetings called by the Speaker and the Mayor and ensuring that such meetings quorate
- Advises the Speaker and Mayor on the Council agenda
- Informs councillors on important matters on the relevant agenda
- Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers
- Addressing the Council
- Ensures that councillor's motions are prepared and timeously tabled in terms of the procedural rules of Council
- Assisting the Speaker in the counting of votes
- Advising the Speaker and the Mayor of urgent motions
- Advising the Speaker and Mayor on how to deal with important items
- Advising the Speaker and Mayor on how to deal with important items not disposed of at a Council meeting

The Council Whip is accountable to the Council

MEMBERS OF EXECUTIVE COMMITTEE



Cllr Matjomane Germinor Delly
Political Head Infrastructure
Treasury



Cllr Phatlane Alfred
Political Head Corporate Services



Cllr Machipa Aron
Political Head Budget and Treasury



Cllr Mashilo Samaria Malope
Political Head Community Services



Cllr Phetla Mannyana Grace
Political Head Executive Support



Cllr Mmutle Thabo Nelson
Political Head Planning & LED



Cllr Maloba Alpheus Matome
EXCO Member



Cllr Shai Kweletsi Collen
EXCO Member



Cllr Kotze Johan Pieter
EXCO Member

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;

1.1.1 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the administrative head and act as interlink between the politicians and the administration. Municipal Manager together with all staff members and councillors are responsible for implementing the IDP and Budget and monitoring the progress made to ensure that service is delivered to the people. The Accounting Officer also 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. All administrative issues that need intervention of council are referred to council for resolution.

At the beginning of the financial year, the municipality had one (01) vacant position of Senior Managers accountable directly to the Municipal Manager namely: Senior manager Infrastructure and the vacancy was successfully filled in May 2017. By the end of the financial year, municipality had two (02) vacant position for senior managers namely: senior manager Executive Support and community services. The administrative components of municipality comprises of seven (7) senior managers and 35 managers.

Table 5: EMLM management information

Directorate	Designation	Initial and Surname	Gender
Office of the Municipal Manager	Municipal Manager	Ms R.M Maredi	Female
	Manager: Internal Audit	Mrs. V. P. Mokoete	Female
	Chief Risk Officer	Mr L. K. Mathebe	Male
	Manager: IDP	Mr. K. J Motha	Male
	Manager: PMS	Ms R.P. Mdluli	Female
Executive Support	Senior manager : Executive support	Mr. M M Kgwale	Male
	Manager: Communications	Vacant	-
	Manager: Council Support	Mrs M Burger	Female
	Manager: IGR	Mr. M. J. Mathebe	Male
	Manager: Mayor Support	Mr. M. F. Mahlangu	Male
Corporate Services	Senior Manager : Corporate Services	Mr. A. Mayimele	Male
	Manager: Human Resources	Mr. L.M. Mafiri	Male
	Manager: Administration	Mr. G.M Ditshego	Male
	Manager: ICT	Mr T. L. Mashaba	Male
Finance	Chief Financial Officer	Mr. P. G. Mapheto	Male
	Manager: Expenditure	Mr. C. Mtsweni	Male
	Manager: Budget and Treasury	Mr L. Sebelemetja	Male
	Manager: Assets	Mr. M. C Tjjane	Male
	Manager: Supply Chain Management	Mr M P. Mthimunye	Male
	Manager: Revenue	Mr B Mohlamme	Male
Infrastructure	Senior Manager : Infrastructure	Ms. M.R Makgata	Female
	Electrical Engineer	Mr K.K. Mametsa	Male
	Manager: Roads	Vacant	-
	Manager: PMU	Mr. F. Debeila	Male
	Superintendent Roads Construction Unit	Mr. J Malaka	Male

Directorate	Designation	Initial and Surname	Gender
Community Services	Senior manager: Community Services	Vacant	-
	Manager: Environmental services	Ms M Mokhulwane	Female
	Manager: Licensing	Mr. M M Mokganyetji	Male
	Manager: Traffic	Mr. C Coetzee	Male
	Manager: Fleet	Mr. V Masilela	Male
	Manager: Hlogotlou	Mr. L. A Madiba	Male
	Manager: Roosenekal	Vacant	-
	Manager: Motetema	Mr. C. C. Masemola	Male
Development Planning	Senior manager : Development Planning	Mr. N. W. Phala	Male
	Manager: Development and Town Planning	Mr B.O Sethojoa	Male
	Manager: LED	Mr Sebei	Male
	Manager: Property Management and Housing	Mr. R Palmer	Male

COMPONENT B: INTERGOVERNMENTAL RELATIONS

1.1 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

There are platforms established to maintain relationship between all three spheres of government. The purpose of the platforms is consultation with various interest groups and all other key stakeholders to insure that sectoral issues and projects are well captured within the IDP of the municipality for implementation.

1.1.1 Intergovernmental relations

Sekhukhune District Municipality hosted a Joint Inauguration of Mayors in the District. The MEC of Sports, Arts and Culture Hon. Onicca Moloji visited two High Schools in Moutse i.e. Thejane Secondary School and ST Joseph's High School on the 12th January 2017, as part of Back to School Campaign. The MEC of Health Hon. Phopi Ramathuba visited Kgobokwane Village, Ward 3 to engage with the community on health matters and more importantly to encourage Home Based Care Groups to continue looking after the community. The Minister of Public Works Hon. Nathi Nhleko visited Hereford Farmers on the 10th June 2017 to handover letters in relation to Property Rights. MEC of Social Development visited Moutse to handover school uniform to the needy learners. The Hon. Mayor of Elias Motsoaledi Local Municipality hosted an Outreach with the community of Legolaneng on the 23rd April 2017 to engage on service delivery issues. Ministry of Social Development in partnership with the Hon. MEC for Sports, Arts and Culture hosted the International Family Day in tafelkop, Ward 25.

1.1.2 District intergovernmental structures

Section 24 of Intergovernmental Relations Framework Act 2005, establishes the district intergovernmental forum to promote and facilitate sound relations between the District and Local municipalities and the forum is chaired by District Mayor. 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:

Table 6: District intergovernmental structures

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
Communicators' forum	Communication Manager	Provincial and District
SDM Disaster advisory forum	Superintendent: Disaster	District
MPAC forums	Council Support Manager	Provincial and District
District Environmental Forum	Manager Environmenta	District
Provincial Waste and Environmental Forum	Manager Environmental	Provincial
Chiefwhip's Forum	Mnager Council support	District and Provincial
District Town Planners Forum	Town Planner	District and Province

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.

1.1.3 Provincial intergovernmental structures

Section 16 of the Intergovernmental Relations Framework Act 2005, establishes the premier's intergovernmental forum to promote and facilitate sound relations between the Province and municipalities. EMLM has a good relationship with provincial structures, namely CoGHSTA, 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
- Municipal Public Accounts Committee forum.
- Provincial Waste Management Forum

- Provincial Town Planners Forum
- Provincial EPWP Incentive Grant Sector Forum
- Provincial IDP Forum
- Provincial Speaker's Forum
- Provincial Chiefwhip's 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

1.2 Introduction

In terms of Municipal Systems Act section 51(b) requires a municipality to establish and organize its administration to facilitate a culture of accountability amongst its staff;

Section 6 (i) states that a municipality must develop a system of municipal governance that compliments formal representative government with a system of participatory governance

Section 18 (i) (d) requires a municipality to supply its community with information concerning municipal governance, management and development.

1.2.1 Overview of public accountability and participation

Municipality uses different kinds of public participation, such as the Mayor's outreach, public meetings and IDP/Budget consultation, stakeholders meetings in order to promote the culture of accountability.

Through this dictum, the people envisaged for a democracy whose attributes would be; people first in a government of the people by the people, a democracy wherein no decision would be taken without consultation of the people.

1. This was brought to life by the democratic breakthrough of 1994, the adoption of the Constitution in 1996, and the formation of local government in 2000 and the subsequent laws that governs it. Chapter 4 of the Municipal system Act state A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-
 - a. **encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in-**
 - i. The preparation. implementation and review of its integrated development plan in terms of Chapter 5;
 - ii. the establishment, implementation and review of its performance management system in terms of Chapter 6;
 - iii. the monitoring and review of its performance, including the outcomes and impact of such performance;
 - iv. the preparation of its budget; and

v. strategic decisions relating to the provision of municipal services in terms of Chapter 8;

b. contribute to building the capacity of-

- i. the local community to enable it to participate in the affairs of the municipality; and
- ii. councillors and staff to foster community participation; and
- c. use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (a) and (b)

In Elias Motsoaledi Local Municipality, Public Participation is not an abstraction and it is not done merely for compliance, it is a platform for self-determination of the people by the people. It is the people who directs the type of service delivery and type of administration they want. During the year under review both the Mayor and Speaker had numerous outreach programs to engage with communities of Elias Motsoaledi Local Municipality. The Honourable Mayor had a meeting with the community of Tambo in ward 09 on the 24th July 2016, the main purpose of the meeting was to hand over Title Deeds to residents of RDP Section.

In partnership with the Honourable MEC for Sports ,Arts and Culture Ms Onicca Moloi, the Mayor visited local schools on the 12th January 2017 as part of the Back to School Program. Two schools in Moutse, namely Thejane High School and St Josephs were visited. The purpose of the visit was to encourage both teachers and learners to work hard during the current school calender year in order to improve their performance. On the 17th January 2017, the Mayor and EXCO had a meeting with the community of Roosenekal (ward 30) to address electricity challenges. The purpose of that meeting was to ensure that the community do away with illegal connections which pose high level of risk for the community and also affecting revenue collection.

The Mayor's Outreach was held on the 23rd March 2017 in Legolaneng village (ward 22), the main purpose was to listen to the community concerns and also to provide feedback on progress made by the municipality on service delivery Programs. Ms Sthembile Mahlangu's living condition was raised by the community and the Honourable Mayor made a commitment to assist her family, her two children were bought school uniform and a two roomed house was built because they were staying in a shack for years. Football fields for all the schools in the ward were graded and two local football teams received soccer balls as part of Corporate Social Investment.

In line with Limpopo Provincial Aids Policy Framework of 2011, the Elias Motsoaledi Local Municipality established the Local Aids Council on the 22nd November 2016 in the Council Chmaber to mainstream HIV/AIDS, STIs and TB. The Local AIDS Council is championed by the Honourable Mayor. The Women Caucus, which is constituted by all Women Councillors was established in terms of Municipal Systems Act No. 32 of 2003 on the 04th May 2017. The main objective of the Women Caucus is to act as an advisory and consultative body for all women councillors raising and representing their interest within the municipal council. The Women Caucus is chaired by a female councillor by the name of Cllr Hlaole Mehlape.

The 16 days of Activism for No Violence against Women and Children is an international awareness-raising campaign. It takes place every year from 25th November to 10th December. The period includes Universal Children's Day and World Aids Day. In promotion of 16 days of Activism the municipality held an awareness campaign in the form of a dialogue wherein gender based violence was discussed. The event was successfully held on the 08th December 2016 in Tafelkop. In celebrating Heritage Day, the Municipality

partnered with Bakgaga Ba Kopa and Bantwane Traditional Authorities on the 16th September 2017 and 24th September 2017 respectively. Heritage Day is an important public holiday in South Africa as it recognises different aspects of South African culture

Municipal Public Account Committee had a Strategic session at Burgersford from 20-22 February 2017 to analyse the Annual Report. (MPAC) visited ward 20, 27, 11, 3 and 13 from 13 March 2017 to 21 March 2017 for oversight visit as per the MPAC programme. The Annual Report for 2015/2016 was approved by Council on the 28th March 2017 under Council Resolution No MPAC 16/17-02. The Draft 2017/2018 Municipal Public Account Committee work program was approved on the 29th June 2017 under Council Resolution MPAC 16/17-05.

The Municipal Public Account Committee started to investigate the Fruitless and Wasteful Expenditure as well as the Irregular Expenditure incurred by the municipality and has appointed a service provider to assist to committee with investigations. After completion the committee will table its findings and recommendations to Council.

During the year under review the municipality held 26 IDP consultation meetings to consult communities for needs analysis. In 04 wards the meeting was unsuccessful due to non-attendance of community members. Community needs were incorporated in the reviewed 2016/2017 IDP/Budget where priority was done based on available budget. All senior managers together with 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 they expect from the municipality.

1.2.2 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 different local media, website, Facebook, stakeholders meetings 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

The forums hold 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

1.2.3 Ward Committees

1.2.4 After the inauguration of new council, EMLM established ward committees in terms of Municipal Structures Act of 1998 and it has 300 ward committee members which is 10 members per ward. One ward (23) failed to elect ward committee members and the matter of resolving the problem is in progress in Speaker's office. Ward committees were trained during February 2017 to acquire skills to implement responsibilities vested in them. Ward Committees assist members of the community to participate in public meetings and take decisions that will take service delivery forward in our communities.



1.2.5 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 23 public meetings were held in different wards. All public meetings held were beneficial. Most of queries raised were water related queries and were referred to Sekhukhune district municipality.

Ward no	Nature and purpose of meeting	number of meetings	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	
01	Community meeting	09	01	02	129	
02	Community meeting	04	no meeting	no meeting		
03	Community meeting	05	01	00	42	
04	Community meeting	09	01	00	62	
05	Community meeting	08	01	03	95	
06	Community meeting	03	01	02		
07	No meeting	No meeting	No meeting	No meeting	No meeting	
08	Community meeting	07	01	03		
09	Community meetings	10	01	00	1986	
10	Community meeting	11	02	00	2268	
11	Community meeting	06	01	00	742	
12	Community meeting	11	01	00	3059	
13	Community meeting	3	02	05	276	

PUBLIC MEETINGS

	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
	Water shortage at slovo Electrification of oorlog	no yes	Community meeting
	no meeting	no meeting	no meeting
	Water challenges Electricity- still waiting	No	Community meeting
	Water challenge	No	community meeting
	Bad state of provincial road Regravelling of roads Clearing of bushes Need of storm water drainage	Yes	community meeting
	VIP toilets Water shortage	No	community meeting
	No meeting	No meeting	No meeting
	Electrification of madiba section Marapong bridg Storm wate control	Yes	community meeting
	-Water shortage at Phooko -Re-graveling of rooads - clearing of illegal dumbing -Electrification of Jabulani	yes /no	- Community meeting
	- Mohlamme Road - RDP houses Testing of underground water and boreholes fixing	No/ yes	Community meeting
	- Inadequacy of bulk water capacity to supply all residence - R25 be repaired and storm water control - Re-Graveling of internal roads Illegal dumpings	No/ yes	Community meeting
	-Water shortage -Taring of road - need for clinic at Magagamatala - electrification	no	Community meeting
	-storm water network -need for community hall -need for CPF -water leakage -community clinic to be equipped	No/ yes	Community meeting

Ward no	Nature and purpose of meeting	number of meetings	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	
14	Community meeting	7	02	01	869	
15	Community meeting	07	01	0	110	
16	Community meeting	07	01	0	735	
17	Community meeting	10	01	0	80	
18	Community meeting	10	01	0	100	
19	Community meeting	06	01	0	552	
20	Community meeting	07	01	0	765	
21	Community meeting	07	01	0	765	
22	Community meeting	07	01	0	666	
23	Community meeting	07	01	00	654	
24	Community meeting	10	01	0	953	
25	Community meeting	09	01	0	859	
26	Community meeting	06	01	0	435	
27	Community meetin	06	01	0	354	
28	Community meeting	07	01	0	465	
29	Community meeting	10	01	0	135	
30	Community meeting	06	01	0	654	
31	Community meeting	07	01	00	865	

PUBLIC MEETINGS

	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
	-electrification - bulk water -re graveling of streets -paving of road to moshate	Yes/ no	Community meeting
	Water shorgate RDP houses VIP toilets Road paving	Yes	Community meeting
	Electrification of Slovo section	Yes	Community meeting
	DTT program	No	Community meeting
	Electrification Patching of tarred road Cleaning of illegal dumping	Yes/no	Community meeting
	Water	No	Community meeting
	RDP houses Water	Yes	Community meeting
	RDP houses	Yes	Community meeting
	Recruitment of labours for road project at Legolaneng	Yes	Community meeting
	Water project	No	Community meeting
	Legolaneng road Electrification Clinic RDP houses Fencing of cemeteries	Yes / no	Community meeting
	Need for borehole Electrification Regravelling of Roads Water	Yes/ no	Community meeting
	Leakage of bulk water pipes Illegal connection of water	No	Community meeting
	Road High mast lights Water	Yes/no	Community meeting
	Electrification Gravelling of Roads Water Mobile clinic	Yes	Community meeting
	Repairs of boreholes RDP Patching of boreholes	Yes	Community meeting
	RDP houses Disconnection of electricity Disruption of council meeting	Yes	Community meeting
	Need for land Bulk water High bill of water Illegal speed humps	Yes	Community meeting

1.1.1 WARD BASED MEETINGS

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 Mphela M.A	Yes	11	11	4
	Ward Committee				
	Julia Maredi				
	Thereso Maleka				
	Jane Sibiloane				
	Martha Nxumalo				
	junior Thethe				
	Anges Mmotong				
	Innocent Skhosana				
	Samual Phasha				
	Christa kotelo Mabodika				
	Kgati Maepa				
Ward No 02	Cllr Phatlane A	Yes	5	5	1
	Ward Committee				
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot Moruti				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
	Boroko Kodisang Mathews				
Ward No 03	Cllr Mamakoko M.L	Yes	5	5	1
	Ward Committee	Yes			
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot Moruti				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
	Boroko Kodisang Mathews				

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 04	Cllr Moima L.M	Yes	5	5	1
	Ward Committee				
	Dipuo Mashabela				
	Lebogang Dinba				
	Kanyane Mphahlele				
	Lefelane Mokgwajane				
	Fatima Thabethe				
	Selina Matlou				
	Lucas Mathimunyane				
	Kenneth Malapele				
	Anges Ramphisa				
	Israel Malapela				
Ward No 05	Cllr Makweoane	Yes	2	2	1
	Ward Committee				
	Violet Mashigo				
	Fannie Nkambule				
	Lebogang Sefako				
	Sharleen Mphake				
	Mankwe Mokgabudi				
	Petrus Matentshi				
	Mapaseka Mokgabudi				
	Leshate Mashabela				
	Nelson Mogano				
	Thili Lepota				
Ward No 06	Cllr Ndlovu R.N	Yes	7	7	2
	Ward Committee				
	Thethan Mahlangu				
	Ntombi Mahlaba				
	Nokuthula Reginah				
	Winile Ndlangamandla				
	Zakhele Hlathi				
	Sipho Mandlazi				
	Adelaide Limakwe				
	Elizabeth Mpshe				
	Delisa Joseph				
	Popi Mashego				

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 07	Cllr:Phala Lucas	Yes	7	7	2
	Ward Committees:				
	Philimon Moshiga				
	Brenda Phasha				
	Nomsa Sibeko				
	Glass Makatelele				
	Jan Mtshweni				
	Busisiwe Magolego				
	Tebogo Mokgoadi				
	Ericca Makuwa				
	Benjamane masweu				
	Simon Thipe				
Ward No 08	Cllr Ratlou S.W	Yes	5	5	1
	Ward committees				
	Charlotte Mogudi				
	Moshingwaneng Ditshego				
	Isaiah Mahlangu				
	Annah Wessels				
	Friedah Phetla				
	Bangiswane Mthombeni				
	Ditsheso Mokotedi				
	Albert Mafa				
	Elias Mamohlale				
	Gloria Rahlogo				
Ward No 09	Cllr Ratau R.M	Yes	1	1	0
	Ward Committees:				
	Elijah Ntombela				
	Isaac Makofane				
	Mafa Mashinini				
	Sebongile Mohlape				
	Coshiwe Nkambule				
	Eric Nkosi				
	Louisa Masilela				
	Fortune Tsholofelo				
	Aaron Mtshweni				
	Joseph Manzini				

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 10	Cllr Madisa K.F	Yes	3	3	0
	Ward Committees:				
	Rita Rahlogo				
	Mathebe Rebecca				
	Katlego Sifoleshe Madire				
	Modupi Mohlamanyane				
	Ivy Madisa				
	Nkele Zodwa				
	Simon Kgaladi				
	Mathebe Buti				
	.Malefahlo Mokgase				
	mohlamonyane Motsumi				
Ward No 11	Cllr Namane G.R	Yes	0	0	0
	Ward Committees:				
	1 Wonderboy Cekhu				
	2 Delane Mugeru				
	3 Eleoner Matlou				
	4 Sepadi Mampuru				
	5 Malelula leepo				
	6 Samora Madisa				
	7 Rina Mutha				
	8 Moses Mafiri				
	9 Thobile Mathibedi				
	10 Anges setoto Magopa				
Ward No 12	Cllr Phorothoe	Yes	10	10	3
	Ward Committees				
	Mmadisele Mathebe				
	Moleme Podile				
	Mmalehu Mohlala				
	Mothaku Namane				
	Calvin Mathunyane				
	Elizabeth Monageng				
	Doctor Nakedi				
	Alfred Makitla				
	Betty Mathebe				
	Klass Mathebe				

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 13	Cllr Oosthuizen W.N.S	Yes	0	0	0
	Ward Committees:				
	Martin Coetsee				
	Dirk Hessels				
	phochanaD.M				
	Maria D.Fourie				
	J.H Mmakole				
	Dirk Walker				
	T.S Matsomane				
	A.J Schombee				
	Franska Kleinhans				
	Shaun A.Mellors				
Ward No 14	Cllr: Bogopa B	Yes	10	10	3
	Ward Committees:				
	Bareng Mphahlele				
	Phakwane Mareng				
	Moses Boshielo				
	Chikane Kgorutle				
	Makeke Mantwa				
	Dipou Matlala				
	Stepen Maleka				
	Jaremia Phetla				
	Enock Ramoispa				
	Maggie Isa				
Ward No 15	Cllr: Mahlangu J	Yes	3	3	1
	Ward Committees:				
	Lucas Zwane				
	Rinah Mahlangu				
	Job Tshepo Mokwena				
	Sbongile Nkosi				
	Sibongile Masilela				
	Mpho Skosana				
	Johannah Mashiya				
	Malehu Mokoana				
	Jan Masimula				
	Msanomlane Mahlangu				

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: Zulu B.M	Yes	1	0	0
	Ward Committees				
	Mapule Mokgolokgotho				
	Jabulane Mahlangu				
	Sarah Skosana				
	Fanie Makua				
	December Msitsa				
	Sinah Mahlangu				
	Maria Mthimunyane				
	Nick Mgidi				
	Khomotso Maphosa				
	Kodin Skhosana				
Ward No 17	Cllr: Ratau T.T	Yes	6	6	2
	Ward Committees:				
	Irene Mokwana				
	Moetana Mohlala				
	Rankepile Mabelane				
	Kagiso Mabelane				
	Gabriel Magashula				
	Moeti Mkhondo				
	Motlalepule Madihlaba				
	Freddy Nkadimeng				
	Andries Hlabishe				
	Annah Masemola				
Ward No 18	Cllr: Machipa T.A	Yes	0	0	0
	Ward Committees:				
	Martha Mohlahlo				
	Jamis Chego				
	Maria Tshehla				
	Mojalefa Rankwe				
	Tumishi Mohlahlo				
	Annah Mnguni				
	Elsa Fenyane				
	Sydney Phetla				
	Shemeng Mtshweni				
	Maria Makuwa				

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 19	Cllr: Masimula P	Yes	5	5	1
	Ward Committees:				
	Sophi Masemola				
	Amos Gabril				
	Sinkie Skosana				
	Ranapo Chigo				
	Rose Mtshweni				
	Sophie Masimula				
	Shabangu Dlalabaphi				
	Getrude Mashiane				
	Mahlangu Khonzephi				
	Nkosinathi Machuka				
Ward No 20	Cllr Skhosana W.J	Yes	5	5	1
	Ward Committees:				
	monica Madihlaba				
	Lina Makaleng				
	Felicia Mokoana				
	Zodwa Mokwena				
	Nteseng Madihlaba				
	Patricia Sekgala				
	Shima Monaedi				
	thabo Skosana				
	Debra Maredi				
	Thapedi letageng				
Ward No 21	Cllr: Makeke G.M	Yes	11	11	3
	Ward Committees:				
	1 Mavis Theresia Mthimunye				
	2 David Skhosana				
	3 Joel Mohlahlo				
	4 Khoza Dipuo				
	5 Kate Matenchi				
	6 Lejatau Seroka				
	7 Elsie Mamonyane				
	8 Sonnyboy Sekele				
	9 Dorcas Makeke				
	10 Motlapele Nkgudi				

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 22	Cllr Matsepe M.M	Yes	10	10	3
	Ward Committees:				
	Mathibela Mashego				
	Annah Radingwana				
	Frans Mdebele				
	Tebogo Tau				
	AB Kgama				
	Thabo Radingwana				
	Leah Tshoma				
	Jan Mashilanwako				
	Patrick Moramaga				
	lindiwe Maleka				
Ward No 23	Cllr:Mahlangu Nomsa	No	0	0	0
	Ward Committees:				
	Ward committee not launched in year under review				
Ward No 24	Cllr: M.M	Yes	11	11	4
	Ward Committees:				
	Isaac Maladi				
	Mpotsing Mtshweni				
	Prince Maloma				
	Meshack Thobejane				
	Dorothy Makeke				
	Maputana Moloko				
	Martha Monareng				
	Thabeng Nyalungu				
	Elizabeth Mathunyane				
	Amos Tshoma				

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 25	Cllr: Maphopha E.M	Yes	6	6	1
	Ward Committees:				
	Jane Lekal				
	Makgadi Malatji				
	Sarah Makuwa				
	Victoria Rangwaga				
	Lerato Skosane				
	Jack Motsana				
	Reneilwe Rampedi				
	khomotso Ramphisa				
	Francinah Mampuru				
	Thobole Matsepe				
Ward No 26	Cllr: Motlape M. G	Yes	4	4	1
	Ward Committees:				
	Sepedi Mohlala				
	Mmantwe Tagane				
	Matlakala Knowledge				
	Tebogo Magampa				
	Deborah Mashabela				
	Dazie Msiza				
	Amos Chabedi				
	Mapule Mmuledi				
	Karabo Matshingwane				
	1 Mmabatssheleng Matsepe				
	Matladi Tshepho				
Ward No 27	Cllr: Mokwane M.K	Yes	6	6	1
	Ward Committees:				
	Job Matladi				
	Lebogang Choma				
	Tebatso Sihlangu				
	Morithi Motlafi				
	Dudu Mokadi				
	Frans Tlaka				
	Tshidi Tswaana				
	Thabo Makua				
	Caroline Mantsolo				
	Thandi makuwa				

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 28	Cllr:Maipushe S.M	Yes	0	0	0
	Ward Committees:				
	Klass Maredi				
	Modupi Fenyane				
	Evah Matuludi				
	Prudence Skosana				
	Pratck Tladi				
	Rachel Mohlala				
	Amos Ntobeng				
	Sarah Pheladi				
	Lucas Aphane				
	Victor Seopela				
Ward No 29	Cllr: Malatji M.N	Yes	11	11	3
	Ward Committees:				
	Thuso Makuwa				
	Reginah Makuwa				
	Lindiwe Mahlangu				
	Kgaogelo Mashegoane				
	Diale Motla				
	Ngwananoka Nkadimeng				
	Victor Diago				
	Thabang Fenyane				
	Gautana Matsumane				
	Lazarus Rakgalakane				
Ward No 30	Cllr: Kgopa K.S	Yes	7	7	2
	Ward Committees:				
	Ammina Magakwe				
	Sebutjwane Maduna				
	Seraki Mottsa				
	Jim Molapo				
	Bongi Maabane				
	Thabiso Matenji				
	Mahlonoko Riba				
	Patricia Mokwena				
	Sinky Kodi				
	Lina Masango				
Ward 31	Cllr : Msiza M.R				

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 Committee	Yes	7	7	7
	Gladys Maake				
	Kgaogelo Dikotope				
	Alfred Manasoe				
	Moses simpho				
	Peter Tsokela				
	Lombard Mamogobo				
	Lebogang Mpunga				
	Ramosohlo Kgongane				
	Enny Matsepe				
	Prince Thobejane				

1.1 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 conduct and policies in place that served as guidance on 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

1.2 RISK MANAGEMENT

Elias Motsoaledi Local municipality is critically aware of the impact of risks on service delivery. As such, it has developed extensive risk-mitigation measures for both strategic and operational risks that have been identified. This chapter provides a high-level overview of these proactive and reactive plans.

MFMA section 62 (i) (c) requires the municipality to have and maintain an effective, efficient and transparent system of risk management. For the year under review 80% of identified risks were addressed. Both risk management strategy and implementation plan were reviewed. For the year under review no cases of fraud and corruption was received that warranted internal/external investigations. There is effective risk management committee in place which meets once in a quarter and the meeting is chaired by member of audit committee.

Top ten risks identified:

Top risk identified	
Risk	Progress to date
Ageing infrastructure	Regular maintenance of existing infrastructure. Increased maintenance expenditure Developing of infrastructure maintenance plans in progress.
Declining revenue collections and rising customer-debt levels.	Control procedures implemented to reduce debt levels and increase collection. Review the revenue strategy Data cleansing to remove all inactive accounts
Incorrect billing or non-billing of customers for services and rates	Developed a plan by budget and treasury reported improvements in revenue, billing and collection.

Top risk identified	
Risk	Progress to date
Fraud, theft and corruption	<p>Established wide awareness about fraud and corruption.</p> <p>Improved security systems and personnel to minimise theft of municipal assets</p> <p>Annual declaration of interest by councillors and officials.</p> <p>Declaration in formal meetings where business decisions are taken and recusals.</p> <p>Anti-fraud and corruption strategy in place.</p>
Ageing IT infrastructure and an under-utilised disaster recovery plan and non-recovery of creatable information	<p>The IT disaster site set up.</p> <p>Disaster recovery reviewed and tested.</p> <p>IT contracts management and monitoring</p> <p>Centralised development and /or acquisition of application software solutions to ensure compatibilities</p>
Inadequate skills set due to inability to attract and manage talent	<p>Training intervention on labour.</p> <p>Established of remuneration and skills committees.</p>

1.2.1 RISK FINANCE

Risk Finance is a risk management strategy taken by the municipality to transfer the risks from loss, theft, damages of assets as well as other perils to a third party. In its simplest form, risk finance is taking out insurance on municipal owned assets. The EMLM has over the past five years experienced a gradual increase in the number of insurance claims, and therefore the cost of insurance.

1.2.2 FRAUD AND ANTI-CORRUPTION STRATEGY

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

During the year under review, the municipality adopted an anti-fraud and corruption plan as part of the process to ensure effective, efficient and transparent systems of internal control. Ultimately, this strategy would be implemented and monitored by the designated officials responsible for the risk management of the municipality. Key risk areas and significant findings are reported quarterly to the Audit Committee.

1.3 PUBLIC SATISFACTION SURVEY

No public satisfaction survey was conducted during the year under review.

1.4 SUPPLY CHAIN MANAGEMENT

Municipality has SCM policy in place to minimize fraud and corruption. There are SCM committees in place that are reviewable as and when required to ensure value for money in awarding of tenders. For the year under review six (29) tenders were awarded.

Table 7: Information of SCM committees

Description	Number of meetings	members of the committee	functions
Bid specification committee	8	Manager : Town Planning Deputy Property Management Acting Manager: Electrical Manager Assets Superintended: Roads SCM Practitioner(Secretariat) Manager: Fleet Management	<ul style="list-style-type: none"> • Compile a proper and unbiased specification for a specific requirement • Ensure proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirements, the ratio between price and functionality, evaluation criteria as well as their weights and values • Ensuring availability of funds • Set ranges indicating breakdown of points, percentages as provided in the relevant sliding scales for the selected specified goals
Bid Evaluation committee	4	Director Development Planning Deputy CFO Manager PMU Manager Refuse Removal Manager Facilities Management SCM Practitioner SCM Practitioner(Secretariat)	<ul style="list-style-type: none"> • Evaluate the bids in accordance with the specifications for a specific procurement • Evaluate as per the set out point system and PPPFA • Evaluate each bidders ability to execute the contract • Check in respect of the recommended bidder whether municipal rates and taxes and municipal services are not in arrears • Submit to the adjudication committee a report and recommendations regarding the award of the bid or other related matter.

Description	Number of meetings	members of the committee	functions
Bid Adjudication committee	4	Director Community Services Director Executive Support Director: Corporate Services Chief Financial Officer Manager SCM Accountant Demand and Acquisition (Secretariat)	<input type="checkbox"/> Ensure that all necessary bid documents have been submitted <input type="checkbox"/> Ensure that disqualifications are justified and valid and accountable reasons / motivations were furnished for passing over bids. <input type="checkbox"/> Ensure that scoring has been fair, consistent and correctly calculated and applied; and bidder's declarations of interests have been taken cognizance of. <input type="checkbox"/> Make final awards or a recommendation to the Accounting Officer to make final award; or make another recommendation to the Accounting officer on how to proceed with the relevant procurement <input type="checkbox"/> Consider and rule on all recommendations / reports regarding the amendments ,variations, extension, cancellations or transfer of contracts awarded

1.5 BY-LAWS

For the year under review, the municipality has developed 01 by-law of Waste Management which was also approved by council following the process of public participation. The by-law for spatial planning and land use management by-law was gazetted during the year under review.

Table 8: Information of by-laws

By-laws introduced during year 2016/2017					
Newly developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By - L a w s Gazetted* (Yes/No)	Date of Publication
Waste management by-law.	No	Yes	n/a	No	n/a
Spatial planning and land use management by-law	No	Yes	20 April 2016 and 12 May 2016	Yes	01 July 2016

1.6 WEBSITE

A municipal website is 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.

Table 9: Municipal website information

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report 2016/2017	Yes	
The annual report 2016/2017 published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2014/2015 and resulting scorecards	Yes	
All service delivery agreements 2016/2017	No	N/A
All long-term borrowing contracts 2016/2017	N/A	N/A
All supply chain management contracts above a prescribed value	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	
Contracts agreed in 2016/2017 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in 2016/2017	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2016/2017	Yes	

1.7 AUDIT COMMITTEE

The Audit Committee of the Municipality was established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003. The Audit Committee is comprising of five (05) members appointed for the period of three (03) years with effect from January 2016. The Audit Committee reported to council on their activities and recommendations as required by the Audit Committee Charter and section 166 of the MFMA. For the year under review, four (4) ordinary and four (04) special audit committee meetings were held.

Table 10: Audit Committee members

Surname and initials	Gender
Ramutsheli M.P (Chairperson)	Female
Mathabathe M.G	Male
Thipe M.M	Male
Chuene V.K	Male
Mojapelo M.O	Male

Table 11: Attendance of meetings

NO	AUDIT COMMITTEE (OLD)	ORDINARY MEETINGS					SPECIAL MEETINGS				
		1	2	3	4	Total	1	2	3	4	Total
1	Mrs Ramutsheli M.P (Chairperson)	-	-	-	-	4	-	-	-	-	4
2	Mr Mathabathe M.G	-	-	-	-	3	-	-	-	-	4
3	Adv. Thipe M.M	-	-	-	-	4	-	-	-	-	4
4	Mr. Chuene V.K	-	-	-	-	4	-	-	-	-	4
5	Mr. Mojapelo M.O	-	-	-	-	4	-	-	-	-	4

03

CHAPTER 3

SERVICE DELIVERY PERFORMANCE



COMPONENT A: BASIC SERVICES

1.1 ELECTRICITY

Municipality is licensed to provide electricity in 2 wards, which are ward 13 and ward 30 (Groblersdal and Roossenekal areas). The other 28 wards are Eskom licensed areas. Municipality has a backlog of 6% (3895) households without electricity. A total number of 54902 Households (94%) has access to Electricity (served both Eskom and EMLM). The municipality received an allocation of R13 million for INEP in 2016/2017 financial year. Jerusalema and Matsitsi, Makaepa-Dipakapakeng, Tambo and Jabulani, Waalkraal A, Elandsdoorn A, Masakaneng and Tshehla Trust villages were electrified using the allocated funds from INEP. The progress for electrification projects was at 99% at the end of the financial year and energising will be done in the next financial year. Municipality rely on Eskom to supply all other areas within EMLM whereby mostly the challenge is capacity on the network as certain areas could not be electrified until Eskom upgrade the networks.

The status of the two licensed areas can be summarized by the following analysis

Strengths	Weakness
<ul style="list-style-type: none"> We have 11Kv 1 x 20MVA ring feed for Groblersdal and 11Kv 5MVA overhead for Roossenekal Stable underground cable network Qualified human resource Up to date Eskom Account for both Areas Ability to complete the Electrification projects Fleet to service the two areas is available Provision of high-mast lights to various wards 	<ul style="list-style-type: none"> Inability to carry out major maintenance due to budget constraints Deteriorating Network from lack of maintenance Lack of Bulk statistical metering system Inability to realise full collection from Consumers at Roossenekal Lack of Electricity Master Plan and or Network development Plan Lack of revenue enhancement strategy.
Opportunities	Threats
<ul style="list-style-type: none"> Extension of Distribution license to other areas (Masakaneng, Mapochs grond, Game farm and to Twin city Mall) Revenue base can be increased. We can establish system of improving revenue collection through the use of prepayment Groblersdal Capacity can be upgraded to 11Kv 2 x 20 MVA 	<ul style="list-style-type: none"> The loss of the one 20 MVA transformer will pose a problem to Municipal Customers. Inability of paying Eskom account and Maintaining the high mast lights in various wards due to none payment customers Skill retention strategy

Table 1: Employees in electricity unit information

Employees: Electricity Services					
Job Level task grades	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0				0%
4 – 6	04	06	03	03	33%
7 – 9	02	02	01	01	0%
10 – 12	04	05	04	01	20%
13 – 15	0	1	0	01	100%
16 – 18	01	01	01	0 0	0%
Total	11	15	09	06	20%

Table 2: Capital expenditure on Electricity services**Capital expenditure on Electricity services**

Capital Expenditure Year 2016/17: Electricity Services					
R' 000					
Capital Project	2016/17				
	Original budget	Budget Adjustment	Actual Expenditure	Variance	Total Budget
Total All	R 12 000 000	10 526 600	10 600 908	-21,56	
Electrification of Makaepa	1 500 000	1 754 400	1 311 952	25,22%	1 754 400
Electrification of Tambo village	1 000 000	877 200	877 193	0%	877 200
Electrification of Masakaneng	2 000 000	1 754 400	1 754 386	0%	1 754 400
Electrification of Jabulani D3	2 000 000	1 754 400	1 754 386	0%	1 754 400
Electrification of Waalkraal A	1 500 000	1 316 000	1 499 575	-13,95%	1 316 000
Electrification of Elandsdoorn A	1 000 000	877 200	871 754	0,62%	877 200
Electrification of Tshehla Trust	1 000 000	877 200	736 315	16,06%	877 200
Electrification of Dipakapakeng	1 500 000	877 200	1 311 952	-49,56%	877 200
Electrification of Matsitsi	500 000	438 600	483 395	0,05%	438 600

1.2 WASTE MANAGEMENT

Elias Motsoaledi Local Municipality renders an effective refuse removal service to households and Businesses in the following areas: Motetema, Hlogotlou, Groblersdal, Roosenekal (Town & RDP), O R Tambo Township and Walter Sisulu RDP. During the year under review 16 % of households were estimated to have their household refuse removed at least once a week by the municipality with a backlog of more than 84%. Refuse removal service has been outsourced to Selema Plant Hire/ Mashumi Construction Supply and Projects. Municipality provides street cleaning and litter picking services in Groblersdal town only.

1.2.1 Landfill sites:

Municipality has two (2) licensed Landfill sites, namely Groblersdal, Roosenekal and one (1) transfer station at Hlogotlou. The municipality has outsourced the management of landfill sites to Ingwe Waste management/ Sinobheki JV. The municipality received a funding of R 20 million from The Department of Environmental Affairs for upgrading of the Landfill site and transfer station, the amount of R 11 Million was used for upgrading of Groblersdal Landfill site and R9 Million for Hlogotlou transfer station. The project started during the financial year 2015/2016 and it ended during March 2017. The project has generated 123 job opportunities for the local communities inclusive of all available skills.

Table 3: Waste streams:

Waste streams	Total volumes in tons
Domestic waste	4276.088
Business Waste	2486.615
Builders Waste	26660.84
Garden Waste	4453.635

1.2.2 Recycling:

Table 4: Recycling firms operate within the municipality:

Name	Location	Material recycled
Total waste	Groblersdal	Card box and Plastic
Poverty combaters	Moutse	Card box and Plastic
Pieterse Scrap Metals	Groblersdal	Steel
JH Metals	Groblersdal	Steel

1.2.3 Awareness campaigns

The Municipality has conducted Environmental Awareness campaigns in schools in conjunction with youth Jobs in waste. The campaigns were conducted in the following areas:

- Ramonokane Primary School (Mpheleng)
- Nelson Mandela Day at Philadelphia Hospital
- Motetema: Nelson Mandela Day
- Environmental Awareness at Sizabonga and Ekucathuleni Primary School

Mphage Primary School at Ga-kopa, the awareness was done through door to door process of educating community on how to take care of the environment

Table 5: Distribution of skips (Rented skip bins on monthly basis)

Area	No. of containers	WARD	Frequency of collection
Philadelphia hospital	04	06	As and when is required
Moutse Mall	03	11	As and when is required
Game Centre	01	13	As and when is required
New Shoprite	02	13	As and when is required
Old Shoprite	01	13	As and when is required
Cashbuild Groblersdal	01	13	As and when is required
Cashbuild Moutse	01	11	As and when is required
BP Garage	01	13	As and when is required
Shanduka Beverages	01	13	As and when is required
Sasol Garage	01	13	As and when is required
OK Food	01	13	As and when is required
Vleismark butchery	01	13	As and when is required
Look out Lodge	02	14	As and when is required

Table 6: Skip bins places at strategically points to address illegal dumping

Area	Number of containers	Ward	Frequency of collection
Groblersdal Taxi rank	03	13	As and when is required
Groblersdal bus terminal	01	13	As and when is required
Marble hall road next to standard bank	01	13	As and when is required
Voortrekker street	02	13	As and when is required
Open space behind quality meat	01	13	As and when is required
Complex next to Nandos	01	13	As and when is required
U save Tafelkop	01	26	As and when is required
Motetema Road	01	31	As and when is required
Parking opposite Groblersal library	01	13	As and when is required
Tafelkop Stadium View	01	27	As and when is required
Tafelkop: Boikano disability center	01	27	As and when is required

Table 7: Level of service for refuse removal for households

Service Area/Suburb	Collection Day	Number of households		
		2014/2015	2015/2016	2016/2017
Roosenekal	Monday & Thursday	578	578	578
Groblersdal A and B	Tuesday - A Thursday - B	1300	1300	1300
Hlogotlou A, B and RDP	Wednesday - A Friday - B and RDP	3220	3220	3220
Tambo square, Elandsdoorn Township and Walter Sisulu	Wednesday - Elandsdoorn Friday - Tambo and Walter Sisulu	3338	3338	3338
Motetema	Tuesday	1142	1142	1142
TOTAL		9578	9578	9578

Graph 1: Level of service for households

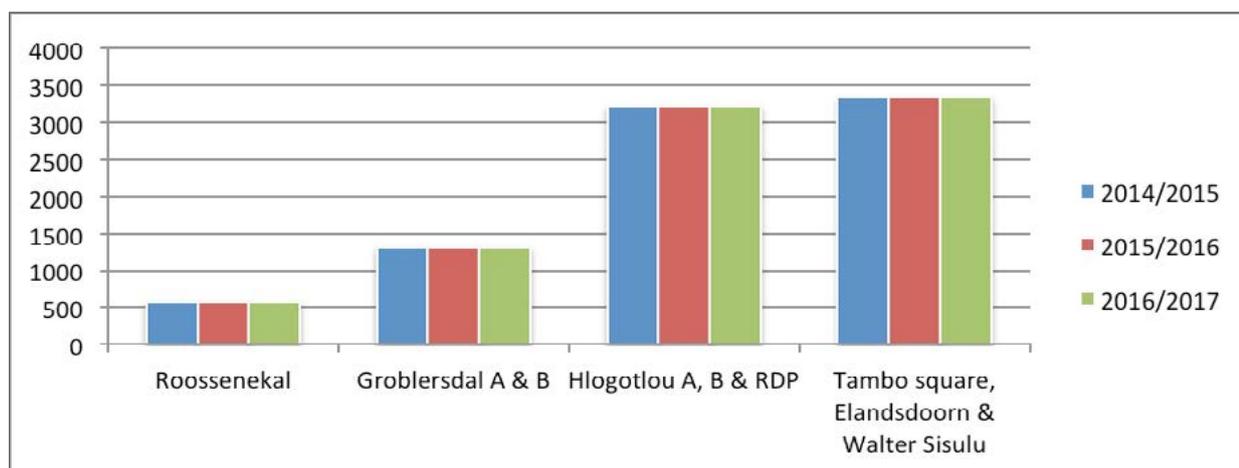


Table 8: Employees for Solid Waste Management Services

Employees: Solid Waste Management Services					
Job Level task grades	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 – 6	12	58	11	47	81%
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	

1.2.4 FREE BASIC SERVICES AND INDIGENT SUPPORT

EMLM has an indigent policy in place which outlines criteria for registering indigents. Free basic electricity is the only benefit that municipality provides to indigents households. 9,933 indigents were registered on the indigent register and only 1,651 were configured by Eskom to receive free basic electricity. Municipality provides free basic electricity to both Eskom- and municipal-licensed areas. Municipality budgeted R628 thousand for free basic electricity and the expenditure amounted to R707 thousand by the end of the financial year.

Graph 2: Free Basic Electricity beneficiaries



Table 9: Financial Performance 2016/17: Cost to Municipality of Free Basic Services Delivered.

Financial Performance 2016/17: Cost to Municipality of Free Basic Services Delivered						
R'000						
Services Delivered	2014/15	2015/16	2016/17			
	Actuals	Actuals	Original Budget	Adjustment budget	Actuals	Variance to Budget
Electricity	R 376	R 5 000	R 700	R 700	R 195	R 504
Mayor and Council: Mayor	R300	R 300				
Waste Management (Solid Waste)	R 500	R0				
Total	R 5 500	R1 000				

COMPONENT B: ROAD TRANSPORT

1.3 TRANSPORT OVERVIEW

EMLM has one mode of transport: which is road transport. Communities depend on buses, taxis and their own cars for transportation. There are two bus companies within the municipality, namely Great North Transport and PUTCO. Great North Buses provide services locally in all 31 wards and PUTCO Buses provide services from Groblersdal and Moutse area to City of Tshwane on daily basis. PUTCO service in Groblersdal is available only in the morning and afternoon as compared to Moutse area where the service to City of Tshwane is available the whole day. Most community members rely on buses as the cheapest mode of transport and few utilise taxis and their own cars as mode of transport. Buses are available in all 31 wards to commute people to their destination. Most community members rely on bus services because of their accessibility to remote areas as compared to taxis that use main roads only. Municipality has no transport master plan and road master plan in place.

1.3.1 PERFORMANCE ON ROADS

The municipality has a backlog of 1230.4 km of gravel roads and 6.3km of roads were constructed during the year under review. 6.3km of roads are surfaced since the start of the current political term with MIG and EMLM fund to eradicate backlog. The total capital budget of municipality was R94 449 000.00 adjusted upwards to R95 777 670.00 during midyear adjustment and the actual expenditure was R87 619 741.00. The municipality has gravel road programme in place. Roads and Storm water are key Municipal functions. Most roads within the Municipality are in a state of decay, with provincial roads in dire need for resealing and surfacing. Gravel roads are also a challenge as most are inaccessible due to lack of storm water controls. The municipality extended the maintenance teams to accelerate its services to every ward through satellite offices. The long term strategy of the Municipality is to surface roads within the municipal area even though the Municipality relies on Grants for roads projects. To improve accessibility to villages, 0km has been regavelled and 573km bladed.

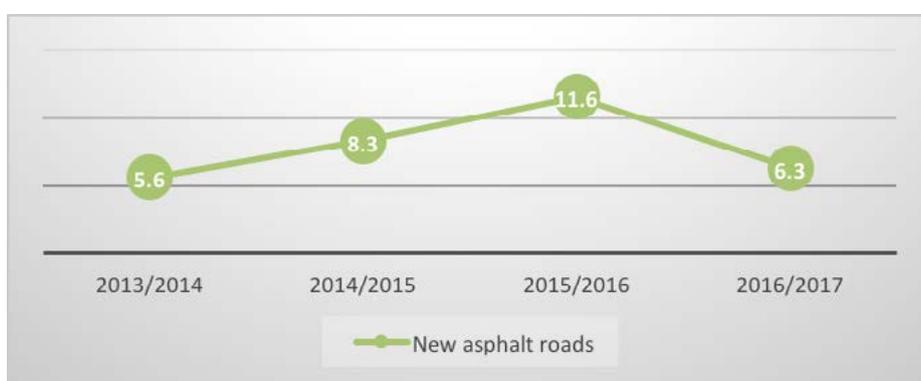
Table 10: Gravelled and asphalted roads

Gravel Road Infrastructure				
	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt / surfaced roads	Gravel roads graded / maintained
2012/13	1343.75 km	0km	8.25km	21.3 km
2013/14	1338.15km	0km	5.6km	101.25km
2014/15	1329.85km	15km	8.3km	285km
2015/16	1318.25km	0km	11.6km	153km
2016/17	1311.95km	0km	6.3km	573km (Bladed)

Table 11: Asphalted Road Infrastructure

Asphalted Road Infrastructure				
Kilometres				
	Total roads (backlog)	New asphalt / surfaced roads	Existing asphalt roads re-surfaced	Asphalt roads maintained
2013/14	1338.15km	5.6km	0km	6km
2014/15	1329.85km	8.3km	1km	1km
2015/16	1318.25km	11.6km	0km	0km
2016/17	1311.95km	6.3km	0km	0km

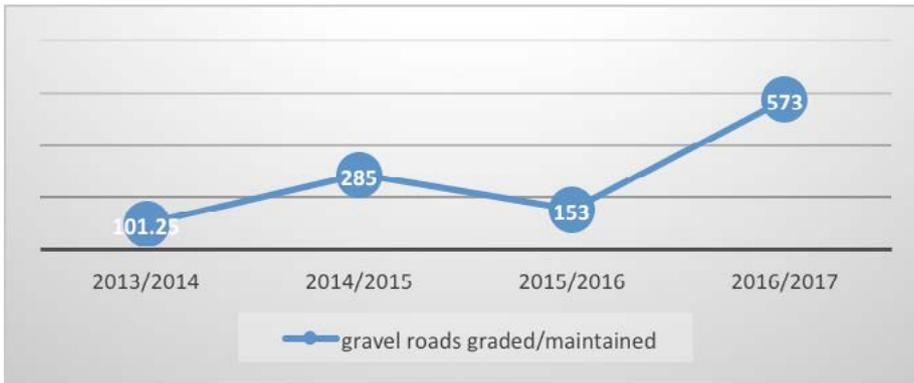
Graph 3: New asphalt road constructed



Graph 4: Total Gravel roads



Graph 5: Gravel roads graded/ maintained

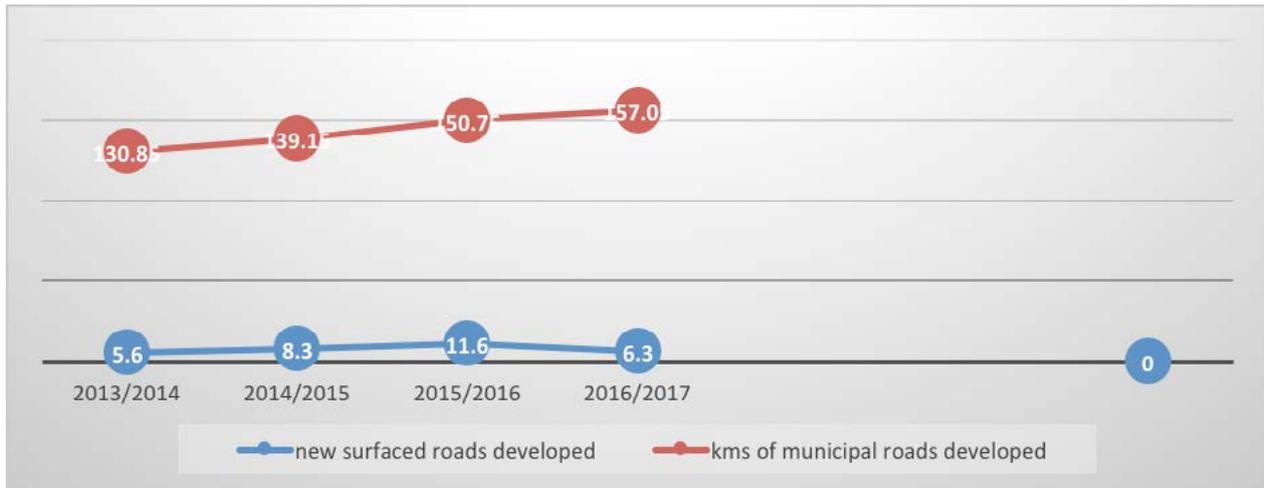


Graph 6: Existing asphalt roads re-surfaced



Graph 7: Asphalt roads maintained



Graph 8: Development of municipal roads**Table 12: Roads and stormwater services employees**

Employees: Roads and storm water services					
Job Level task grade	2015/16		2016/17		
	Employees	posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 – 6	68	84	64	64	20%
7 – 9	01	06	06	06	80%
10 - 12	0	02	01	01	100%
13 - 15	02	02	01	01	0%
Total	71	94	72	72	67.9%

Table 13: Development of municipal roads

Development of municipal roads as required	new surfaced roads developed	km of municipal roads developed
2011/2012	17.2km	117km
2012/2013	8.25km	125.25km
2013/2014	5.6km	130.85km
2014/2015	8.3km	139.15km
2015/2016	11.6 km	150.75km
2016/2017	6.3km	157.05km

Table 14: Capital Expenditure for road services

Capital Expenditure 2016/17: Road Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Source of funding
Development of Workshop	1,000,000	1,000,000	1,000,000	0%	Revenue
Marapong Bridge	3,800,000	5,150,000	8,627,495.27	-26.21%	Revenue
Karnaal Street - Groblersdal	1,500,000	6,215,800	15,109,426.34	-75,87%	Revenue
Kgaphamadi Upgrade	5,000,000	5,000,000	4,999,945.67	0%	MIG
Roads to Magoshi - Matlala	5,000,000	5,000,000	4,847,931.20	3.04%	MIG
Roads to Magoshi - Rammupudu	5,000,000	5,000,000	5,000,000	0%	MIG
Roads to Magoshi – Matsepe	3,091,000	3,091,000	3,062,496.40	0.92%	MIG
Roads to Magoshi – Mathebe	3,800,000	3,800,000	3,602,239.64	5.20%	MIG
Laersdrift Bus Route	5,000,000	5,000,000	3,852,673.69	22.94%	MIG
Mathula road	4,528,418	5,000,000	4,528,000	0%	MIG
Mogaung Upgrade	5,000,000	1,000,000	4,988,560.04	0%	MIG
Monsterlos to Makgopeng Phase 2	5,000,000	5,000,000	4,070,678,14	18.58%	MIG
Naganeng Construction of Bus Road	1,000,000	1,000,000	999,999.96	0%	MIG
Mpheleng Construction of Bus Road	5,000,000	5,000,000	4,990,721.67	0%	MIG
Rehabilitation Roosenekal Roads & Streets	2,000,000	1,000,000	1952598.59	2.37%	Revenue
JJ Road: Zaaiplaas Bus route	5,000,000	5,000,000	4,959,386.80	0%	MIG
Upgrading of Hlogotlou Stadium	10,000,00	2,000,000	641,391.68	93.58%	MIG



1.3.2 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

Table 15: Municipal infrastructure grant expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2016/2017 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>	R 52 419	R 72 419	R 51 564 745.88	R854,254.12	R20,854,254.12	
<i>Storm water</i>	R0	R0	R0	R0	R0	
Infrastructure - Electricity						
<i>Generation</i>	R0	R0	R0	R0	R0	
<i>Street Lighting</i>	R2 000	R0	R0	R2 000	R0	
Infrastructure - Other						
<i>Transportation</i>	R0	R0	R0	R0	R0	
<i>Gas</i>	R0	R0	R0	R0	R0	
Other Specify:						
<i>Cemeteries</i>	R0	R1 091	R1 244	(R1 091)	(R153)	
<i>Street Parking</i>	R0	R0	R0	R0	R0	
<i>Waste Management</i>	R0	R 546	R 546	(R568)	(R22)	
Total	R 50 840	R70 725	R 56 088	(R5 248)	R14 637	

COMPONENT C: PLANNING AND DEVELOPMENT

1.1 Planning overview

Development unit is responsible for land use management, upholding building regulations to promote uniform standards in terms of building of structures as per the provision of the national building regulations and building standards act (103:1977) and other relevant laws. The number of development applications in the form of rezoning, subdivisions, consolidations, alienation, removal of restrictive conditions, township establishments, leasing of municipal land and way-leave services that were lodged with the local authority for approval was ninety six (96).

Table 16: Approved applications

ITEM NO.	ITEM DESCRIPTION
DP16/17-01	Progress report: township establishment on portion 39 of farm klipbank 26js
DP16/17-02	Proposed demarcation of 100 sites on portion 4 of the farm brakfontein 187js in terms of section 96(1) of town planning & townships development ordinance (15:1986)
DP16/17-06	Eviction of illegal occupants from erf 822, motetema township; former mamokgalake chuene college
DP16/17-08	Illegal invasion of portion 7 of farm elandsdoorn 56js
DP16/17-09	Stand numbers allocation, part of masakaneng settlement (portion 13 of farm klipbank 26js)
DP16/17-10	Proposed amendment of the groblersdal town planning scheme (2006) in terms of section 56(1)(b) (i) of the town planning & townships ordinance (15:1986) reading together with the spatial planning & land use management act (2013): erf 407, groblersdal extension 5
DP16/17-11	Report: title deed handover: elandsdoorn e (rdp)
DP16/17-12	Outcome of the preliminary geo-technical & basic environmental assessment report: portion 21 of farm welverdiend 24js (motetema)
DP16/17-13	Proposed subdivision of portion 29 (portion of portion 28) of the farm welverdiend 24js in accordance with section 65 of the emlms spatial planning & land use management (spluma) by-law (2016)
DP16/17-14	Proposed subdivision of erf 1393 (park) of the township kwa-ngolovane, closure of a portion of a park and change of land use (rezoning) in terms of the emlms spluma by-law (2016), section 67 of the local government ordinance (1939) and the town planning & townships ordinance (15:1986), reading together with section 62 of the spluma by-law (2016)
DP16/17-18	Proposed lease of erf 438, hlogotlou "c" as a place of worship: fishers men gospel ministries
DP16/17-19	Proposed subdivision of erf 722, groblersdal extension 9 in accordance with section 92(1) of the town planning & townships ordinance (1986), reading together with the emlms spatial planning & land use management by-law (2016)
DP16/17-20	Provisional liquidation of mapochs mine (proprietary) limited
DP16/17-24	Proposed rezoning of part of portion 1 of the farm loskop south 53js in terms of chapter 5 (part c) and section 62 read with chapter 6 of emlms spluma by-law
DP16/17-25	Wayleave application: telecommunication services

ITEM NO.	ITEM DESCRIPTION
DP16/17-29	Report on tourism exposure trip for learners
DP16/17-30	Illegal invasion of municipal, private and state-land
DP16/17-32	Proposed subdivision & rezoning: portion 74 (a portion of portion 12) of farm uitspanning 38js in accordance with section 65 of the spatial planning & land use management by-law (2016)
DP16/17-33	Proposed removal of restrictive conditions & rezoning of erf 56 groblersdal in accordance with section 65 of the spatial planning & land use management by-law (2016) reading together with section 56(1) of the town planning & townships ordinance (15:1986) 7 the removal of restrictive conditions on title, act 84:1967
DP16/17-37	Proposed donation: erf 143, laersdrift town
DP16/17-38	Proposed lease of erf 438 hlogotlou "c" as a place of worship: fishers men gospel ministries
DP16/17-42	Proposed rezoning & removal of restrictive conditions in accordance with the town planning & townships ordinance (15:1986) & section 63 of the removal of restrictive conditions act (84:1967), reading together with section 63 of the emlml spluma by-law, erf 295 groblersdal extension 2
DP16/17-43	Report: households verification, walkraal extension 7
DP16/17-44	Report of the arum lily tourism festival which was held at roosenekaal on the 26 th november 2016
DP16/17-48	Progress report on the disposal of ervens at walkraal extension 1
DP16/17-49	Proposed disposal of erf 910 and erf 903 groblersdal extension 16, residential stands
DP16/17-50	Proposal to rescind the council resolution dp15/034: proposed sale of part of portion 0 of farm klipbank 26js
DP16/17-51	Discrepancies during the disposal of erf 781 industrial site, groblersdal extension 15
DP16/17-52	Discrepancies during the disposal of portion 4 of erf 885 residential site, groblersdal extension 16
DP16/17-53	Approval of application in terms of the subdivision of agricultural land act (act 70 of 1970): proposed township groblersdal extension 43, 44, 45 and 46 on portion 1 of the farm loskop south no. 53js
DP16/17-54	Report on the disposal of residential erven on portions 1-17 of erf 885, groblersdal extension 16
DP16/17-55	Proposed application for removal of restrictive conditions on title in terms of section 63 of the removal of restrictive conditions on title in accordance with the removal of restrictive act (84:1967) reading together with section 63 of the emlml spluma (2016) and application for special consent in terms of clause 16 of the greater groblersdal town planning scheme (2006) read together with section 74 of the emlml spluma by-law (2016): erf 139, groblersdal extension 1
DP16/17-56	Proposed rezoning & subdivision of erf 379, groblersdal extension 5 in terms of section 56 & 72 of the town planning & townships ordinance (15:1986): reading together with the spatial planning & land use management act (2013)
DP16/17-57	Approval of the proposed purchase price of erven 782, 783, 784, 785, 786 & 787, groblersdal extension 15
DP16/17-58	Proposed donation, erf 143 laersdrift town
DP16/17-62	Report on the implementation of non-motorised transport for environmental protection and infrastructure programmes (epip) by department of environmental affairs
DP16/17-63	Progress report: township establishment on portion 39 of farm klipbank 26js
DP16/17-64	Proposed subdivision and rezoning of portion 10 of erf 772 groblersdal extension 9 in terms of section 56 and 92 of the town planning & townships ordinance (15:1986) reading together with the spatial planning & land use management act (2013)
DP16/17-65	Proposed lease of erf 438 hlogotlou "c" as a place of worship: fishers of men gospel ministries

ITEM NO.	ITEM DESCRIPTION
DP16/17-72	Proposed lease of part of erf 677 motetema township
DP16/17-73	Progress report: land acquisition, farm welverdiend 24js, motetema area
DP16/17-74	Proposed consolidation of erf 56 and 66 groblersdal to be known as erf 1808 in accordance with section 71 of the spatial planning & land use management by-law (2016), reading together with section (92) (1) (b) of the town lanning & townships ordinance (15:1986)
DP16/17-75	Request for extension of uitvlucht settlement located on portion 2 of uitvlucht farm and roosenekal station settlement on vlaklaagte 146js
DP16/17-76	Salga circular 06/2017: update on construction process on draft white paper for human settlements
DP16/17-77	Proposal for groblersdal taxi rank upgrade, erf 768 extension 12
DP16/17-79	Proposed township establishment roosenekal extension 2 on the remainder of the farm mapochgronde 911js in terms of section 56 of emlm spluma by-law
DP16/17-80	Progress report: site demarcations – bakopa, ntwane and ga-matlala
DP16/17-81	Progress report: groblersdal industrial township establishment on portion 26 of farm klipbank 26js
DP16/17-84	Notice of cancellation of lease of municipal buildings on erf 768, groblersdal extension 12
DP16/17-85	Proposed transfer of erf 819 elandsdoorn a township: moutse area
DP16/17-86	Appeal in terms of section 51(1) and 4(a) of the spatial planning and land use management act (16:2013): proposed rezoning of erf 379 groblersdal extension 5 submitted in accordance with section 56 and 92 of the town planning & township ordinance (15:1986) reading together with the spatial planning and land use management act (16:2013)
DP16/17-87	Proposed subdivision of portion 57 of erf 766, groblersdal extension 9
DP16/17-91	Report in terms of allocation of housing units for 2017/18 by department of cooperative governance, human settlement & traditional affairs (coghsta)
DP16/17-92	Proposed township establishment application on portion 39 of farm klipbank 26js in terms of emlm spatial planning and land use management by-law 2016, reads together with spatial planning & land use management act (16 of 2013)
DP16/17-93	Proposed application for demarcation of 208 sites on portion of the remaining extent of farm tafelkop 12js and the portion of the remainder of farm tusschenin 21js in terms of spatial planning and land use management act (spluma) of 2013 and emlm spluma by-law (2016), to be known as bakopa township
DP16/17-94	Proposed application for demarcation of 158 sites on portion 930 of the remaining extent of farm loskop noord 12js in terms of spatial planning & land use management act (spluma) of 2013 and emlm spluma by-law (2016), to be known as matlala lehwelere township
DP16/17-95	Proposed application for demarcation of 160 sites on portion of the remaining extent of the farm elandsdoorn 546js in terms of spatial planning and land use management act (spluma) of 2013 and emlm spluma by-law (2016) to be known as elandsdoorn ext. 1 township
DP16/17-96	Proposed emlm draft densification policy

Since the development planning directorate is to regulate the use of land amongst others within the Municipality, it has at latest pushed the development frontiers to the better in the quest of improving the local's quality of life. To mention a few, the Municipality has already commenced with a process of demarcating spatial planning and land use management compliant sites for residential purposes for the Bantwane (at Tambo village), Bakgaga ba Kopa (at Tafelkop) and Matlala Lehwelere (Matlala village) Traditional authority respectively. These undertakings seek to create and foster a sustainable and uniform use of land.

It is presumed that the above arrangement will result in cheaper installation (i.t.o of monetary value) of engineering services (i.e. water, sewer, electricity, storm water and roads) and solid waste. This will further translate will also improve a perception of the affected areas to investors (i.e. creating better jobs) which will also improve the economy at a local scale and improve the quality of life. Groblersdal stature as provincial growth point is improved by the expansion of the already existing industrial area. In this regard, the Municipality is playing its role in terms of creating a conducive environment for possible investors to perceive the latter as a better investment destination. The retention and attraction of other businesses is of outmost importance. The latter sentiment will yield socio economic spin offs beneficial to the locals.

To compound to the above, the Municipality has promulgated the Spatial Planning and Land Use Management by law (2016). The essence of the latter is to create a uniform approach to land use in rural, semi urban and urban areas. Furthermore, the department operational systems has been solidified through the aid of the internal and external audit teams with the quest of improving the level of accountability and administrative justice. Groblersdal township establishment is underway in Groblersdal in order to make residential sites available to the previously disadvantaged.

Challenges and Opportunities

This entails problems that currently experienced by the local authority and have a bearing in land development matters in general. In addition, opportunities to that effect are also tabled in order to privilege the community with possible opportunities the municipality is likely to harness.

Challenges

- Disposal of Municipal land by unauthorized people,
- No land use management tools,
- Inadequate business and industrial sites,
- Limited budget for settlement planning, formalization and lack of enforcement capacity to manage it,
- Mushrooming of informal settlements,
- Poorly managed government owned properties.
- Land invasion

Opportunities

- Agriculture potential
- Is a provincial growth point
- Is a host to strategic roads, i.e. the R25, N11 that provide accessibility to major urban centres
- Availability of municipal land for development.

Table 17: Employees for Planning Services

Employees: Planning Services					
Job Level	2015/16	2016/17			
	Employees (No)	Posts (No)	Employees (No)	Vacancies - fulltime equivalents (No)	Vacancies (% of total posts)
7 – 9	1	2	2		
10 – 12	1	3	1		
13 – 15	1	2	2		
16 – 18	1	1	1		
Total	4		6		

1.1.1 Local Economic Development

The Local economic and Development unit (LED) is also an integral part of the Planning unit. Its essence is to create a conducive and sustainable environment for SMME's to grow, use whatever applicable methods within the legal prescripts to skill and finance SMME's.

1.1.1.1 Student's tour

EMLM organized a one day student tour trip for Sebakana Secondary School from Mpheleng village on the 23rd of September 2016. The tour was destined to Mapoch's caves in Rosenekal and ended at De Hoop Dam. The overall objective for the trip was to expose tourism learners to natural heritage sites and potential attractions that are within the boundaries of our municipality with the aim to:

- Create awareness to potential attractions that fall within the municipal boundaries.
- Give tourism students exposure to local attractions that can be marked as tourist destinations
- Create programmes that support the Tourism September Month.

The tour was very fruitful to the 30 students and one educator as they have experienced the exciting local attractions within borders of the municipality.

1.1.1.2 Yellow Arum Lily

The Yellow Arum Lilly festival is celebrated for its magnificent springtime display annually on the last weekend of November, by thousands of visitors from as far as Gauteng, Mpumalanga, Limpopo and other Provinces at Nederduits Hervormde Kerkterrein in Rosenekal, which is placed under Elias Motsoaledi Local Municipality, of which the festival is considered as one of the main tourist attraction within the municipal area. Rosenekal

is the only place you will see yellow arum lilies (*Zantedeschia pentlandii*, in Afrikaans the geel varkoor growing in the wild. EMLM partnered with Roosenekal Tourism Association and Limpopo Tourism Agency and organized a one day festival at Roosenekal on the 26th of September 2016 to cater for all diverse potential tourists around the country, irrespective of financial status, gender and race. Participants whom were recorded reached a number of 122 with an estimation of 200 and more. Participants responded well regarding the festival which was positive as it was able to foster community pride, teach people new things, and strengthen relationships. The festival was a success as all participants were looking forward to next year's event.

1.1.1.3 SMME Training Workshop

EMLM in conjunction with LEDA conducted different trainings to local businesses with the aim to skill them in different fields of businesses. The major endeavor is to equip SMMEs with skills to operate their businesses profitably and sustainably in order to create more job opportunities for the majority of the unemployed people, in particular the youth, disabled and women. The skills acquired through the learning programs, assisted SMMEs to operate their businesses in a more efficient and effective manner. SMMEs and co-operative members of about 210 participated in the below programmes:

- Basic Financial Statements: 25-26/07/2016
- Marketing Skills: 29-30/08/2016
- Customer care: 29-30/09/2016
- Income Tax: 25-26/10/2016
- Tendering: 29-30/11/2016
- Project Management: 21-23/02/2017
- Business Plan: 08-09/03/2017

1.1.1.4 Flea market

Municipality hosted a flea market which provided space to small enterprises who wanted to sell their merchandise including antiques which are commonly sold. Flea market is an outdoor market utilized by vendors to exchange discounted new or used merchandise for money. The aim was to create exposure to the small enterprises products to the community at large. 23 small enterprises displayed their various products for both young and old potential customers throughout the day. The products which were on display such as homemade jam, pot plant containers, beads work, eggs, fresh vegetables, loads of different types of braided jewelry, belts, bags, purses and self-portrayed vases and many more. The event attracted customers throughout the day and was deemed successful as more and more vendors have gained exposure.

Table 18: Jobs created through CWP

Job creation through CWP*		
Year	No. of Wards	Participants
2014/2015	13	500
2015/2016	29	768
2016/2017	30	1264
*- Community Works Programme		

Table 19: Jobs created through EPWP

Job creation through EPWP* Projects		
Year	EPWP Projects	Jobs created through EPWP Projects
	No	No
2013/2014	21	361
2014/2015	17	421
2015/2016	9	99
2016/2017	3	373 69 (EMLM projects) 242 (Public works) 62 (department of Roads)
* - Extended Public Works Programme		

Table 20: Employees for Local Economic Development

Employees: Local Economic Development				
Job Level	2016/2017			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 – 6	0	0	0	0
7 – 9	0	0	0	0
10 – 12	2	1	1	50%
13 – 15	1	1	0	0%
19 – 20	0	0	0	0
Total	3	2	1	33%

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

1.1 Overview

1.1.1 LIBRARIES

Municipality operates library services in Groblersdal, Roosenekal and Sephaku village to improve the culture of learning.

Table 21: Employees for libraries

Employees: Libraries					
Job Level task grades	2016/17				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	0	0	0	0	0
7 - 9	0	03	0	03	100%
10 - 12	03	03	03	03	100%
16 - 18	0	0	0	0	0
Total	03	06	03	03	100%

1.1.2 CEMETERIES

The municipality has a total number of 107 cemeteries and only 04 are well maintained which are: Groblersdal, Roosenekaal, Motetema and Hlogotlou. Cemeteries in rural areas are without fencing and ablution facilities. The municipality is responsible for cleaning and cutting grass in cemeteries as and when the service is required. There is a grave digging service in Groblersdal cemeteries only and in other wards, graves are dug by community members.

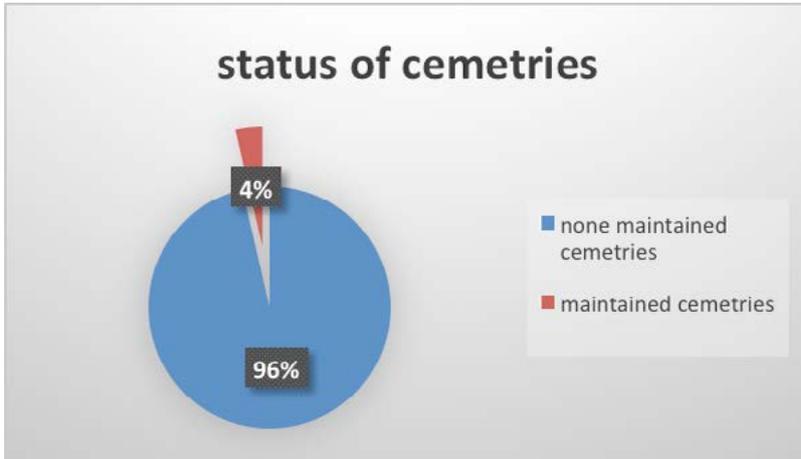


Table 22: Capital Expenditure on Cemeteries

Capital Expenditure Year 2016/2017: Cemeteries					
					R' 000
Capital Project	2016/17				
	Original budget	Budget Adjustment	Actual Expenditure	Variance from Original Budget	Total Budget
Total All					
Development of cemeteries in ward 10	200	200	27	86%	200

1.1.3 SAFETY AND SECURITY

1.1.3.1 Traffic

The Municipality provides public safety services through effective and informed Law-enforcement of the National Road Traffic Act, National Land Transport Act, National Land Transport Transition Act, AARTO and the Municipal By-Laws. Other services provided also include but are not limited to escorts and point duties that promote the free flow of traffic at accidents and events or marches. The Traffic Division also aims at having a well informed and educated public by working together with the Limpopo Department of Transport (Road Safety division) in their Educational and Road Safety programs.

The Traffic division of Elias Motsoaledi Local Municipality successfully trained (11) eleven Traffic Wardens and (2) two Traffic Officers in 2016 at Limpopo Traffic Training College. The (11) eleven Traffic Wardens were appointed on a (2) two year contract period that expire end of September 2017. Considering the demographics of Elias Motsoaledi Local Municipality and the impact the additional officers had on law enforcement. The Municipality also went to the extent of complementing all Traffic Officers with a vehicle allowance to execute their Traffic official duties, resulting in the availability of sufficient Traffic vehicles at all times with no maintenance cost for council. This initiative had a very positive impact on the moral and image of the Traffic division. Working hours have also been amended to 12 hour shifts, whereby Traffic Officers are on duty 24 hours a day ensuring all the crucial hours of vehicle and pedestrian traffic are controlled effectively and also curbing excessive overtime.

The vast increase in vehicle population and limited resources resulted in the Municipality embarking on a project to outsource speed and red light law enforcement cameras to effectively execute speed law enforcement duties at 20 identified hot spots in the area of jurisdiction of Elias Motsoaledi Local Municipality. The Speed law enforcement projects effectively issue an average of 16 000 transgressors with penalties, that not only impacts on speed calming but also contributes tremendously to the revenue of the Municipality. The safety and security of Elias Motsoaledi community is also receiving priority attention through the surveillance project the Public Safety division is embarking on. The project is to install (CCTV) surveillance- and License Plate Recognition cameras for Groblersdal central business area and all entering and exit routes with a central control room to monitor them and communicate information of transgressors to Traffic Officers on duty. The aim is to develop a centralized control room to monitor and control the safety and security of the community and ensure the business area is crime free.

Joint operations with Limpopo Provincial Department of Transport and the SAPS aim to reduce accidents during the festive seasons that include the Easter - and Christmas holidays.

Table 23: Law Enforcement statistics

Description	2014/2015	VALUE	2015/2016	VALUE	2016/2017	VALUE
Total fines issued	3258	R 2 996 400.00	5498	R 5 873 300.00	5886	R 5 643 800.00
Total fines paid	955	R 808 250.00	1269	R 491 380.00	921	R 335 320.00
Total fines withdrawn	47	R 57 500.00	92	R 112 200.00	21	R 27 750.00
Warrants	1360	R 1 312 300.00	482	R 485 950.00	1528	R 1 698 700.00
Total fines outstanding	896	R 818 350.00	303 511	R 1 98 470 021.00	4906	R 4 719 550.00

1.1.3.2 Licensing

Elias Motsoaledi Local Municipality is a registered Registration Authority with a Grade A Driving License Testing Facility and a non-functioning Grade A Vehicle Testing Facility. The Licensing Division is a core revenue generating part of the municipality with a well-developed organizational structure to ensure uninterrupted, effective and efficient service to the public. The municipality uses electronic Learners License. The electronic learners' license is the corrective measure implemented to curb corruption in the DLTC. The system is user-friendly and 100% fair and has been found to eliminate fraud and corruption in the Learners License tests.

The table below provides the Learner and Driving License statistics for the past three financial years:

Table 24: Learners licence information

Description	2014/2015	2015/2016	2016/2017
number of learners application received	1541	1194	1330
number of learners licence passed	751	755	806
number of learners licence failed	558	354	473

Table 25: Driver's licence information

Description	2014/2015	2015/2016	2016/2017
number of drivers licence application received	2724	1295	1482
number of drivers licence passed	1890	1041	1228
number of drivers licence failed	520	166	127



COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

1.1 EXECUTIVE AND COUNCIL

Executive committee is the principal committee of the council which receives reports from the other committees of the council and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in terms of its delegated powers. The executive committee must identify the needs of the municipality, review and evaluate those needs in order of priority. The committee recommends to municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.

The municipality comprises of three service delivery priorities which is the roads, waste management and electricity. The municipality is having 1352 kilometer of roads. Due to the vastness and rural nature of the municipality, priority is given to roads functions to ensure that internal roads are maintained for accessibility to community members for them to access municipal services. 6.3km of roads were completely surphased through MIG grant and internal funding in the year under review.

1.2 HUMAN RESOURCE SERVICES

Human resource comprises of occupational health services, labour relations, administration, payroll and ICT units. It is responsible for the recruitment processes, leave administration, disciplinary procedures, skills development, pay roll, ICT and labour relation issues.

1.3 INFORMATION TECHNOLOGY

EMLM has ICT unit in place with the total number of 07 officials and most of the services are outsourced. ICT unit is responsible for running daily, weekly, monthly data and backups. It ensures that municipal website is always functional and provides user support. There is a helpdesk where all ICT 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 Munsoft, emails, internet, payroll system and leave system for efficient and effective service delivery.

Table 26: Employees for ICT unit

Employees: ICT Services (how many employees on the listed task grades and vacancies)				
Job Level	2016/17			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	1	1	0	0%
7 - 9	0	0	0	0
10 - 12	5	4	1	20%
13 - 15	1	1	0	0%
19 - 20	0	0	0	0
Total	7	6	0	15%

Table 27: Capital expenditure for ICT unit

Capital Expenditure 2016/17: ICT Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Computer Equipment	350 000	1 550 000	1 180 241.60	1 200 000	1 550 000



COMPONENT J : PERFORMANCE REPORT (INSTITUTIONAL SCORECARD)

DEVELOPMENT PLANNING					
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	
To provide a systematic integrated spatial / land development policy	Land Use Management	number of land audits conducted by 30 June 2017	1,3	500	
		% of land use applications received and processed within 90 days	1,2	opex	
		% of inspections conducted on building construction with an approved plans to ensure compliance with National Building Regulations and Building Standards Act 103 of 1977		opex	
increase regularisation of built environment	compliance with National Building Regulations	% of new building plans of less than 500 square meters assessed within 10 days of receipt of plans	1,2	n/a	
		% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	1,2	n/a	
To facilitate economic growth and sustainable job creation	EPWP	number of EPWP job opportunities provided through EPWP grant by 30 June 2017 (GKPI)	3,3	EPWP	
	economic growth and development	number of SMME's and Corporatives capacity building skill workshops scheduled and held by 30 Jun 2017 (inclusive of youth	3,3	500	
		number of events held to promote tourism within the municipality by 30 Jun 2017	3,1	opex	

	Expenditure	Audited Baseline 2014/15	annual	2016/2017				Achieved / not achieved
				progress to date	challenges	remedial action	evidence	
		5	1	1	none	none	land use audit reports	Achieved
		100%	100%	100%	none	none	inspection report	Achieved
		100%	100%	100%	none	none	inspection report	Achieved
		100%	100%	100%	none	none	building plan submission register	Achieved
		100%	100%	100%	none	none	building plan submission register	Achieved
		421	60	68	none	none	list of appointed participants	Achieved
		n/a	4	21	none	none	attendance registers	Achieved
		n/a	3	3	none	none	report	Achieved

DEVELOPMENT PLANNING					
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	
Improved efficiency and effectiveness of the Municipal Administration	New / Review Polices	number of new / reviewed policies approved by Council by 30 Jun 2017 (DP-LED)		n/a	
	Performance Management	% of KPIs and projects attaining organisational targets by 30 Jun 2017 (DP-LED)	2.5	Opex	
increase regularisation of built environment	Housing	number of reports in terms of new RDP Housing units provided by the Coghsta submitted to Council by 30 Jun 2017		opex	
To implement sound Financial management practices	Expenditure	% spend of the departmental operational Budget by 30 Jun 2017 (DP-LED)	5.1	Opex	
	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017	5.6	n/a	
To create a culture of accountability and transparency	Audit	% of Internal Audit Findings resolved per quarter as per the Audit Plan by 30 Jun 2017 (DP-LED)	6.4	n/a	
		% of AG Management Letter findings resolved by by 30 Jun 2017 (DP-LED)	6,5	n/a	
	Risk	% execution of identified risk management plan within prescribed timeframes per quarter (DP-LED)	6,6	n/a	

Expenditure	Audited Baseline 2014/15	annual	2016/2017				Achieved / not achieved	
			progress to date	challenges	remedial action	evidence		
	new	1	1	1	none	none	council resolution	Achieved
	81,3%	100%	80%	Risk matters not addressed fully	To address all risk matters raised	quarterly performance report	Not achieved	
	new	1	1	1	none	none	council resolution	Achieved
	96%	96%	81%	Complying with circular 84 (cost cutting measures)	None	section 71 report	Not achieved	
	new	100%	100%	100%	none	none	attendance register	Achieved
	n/a	80%	100%	100%	None	None	quarterly IA status reports	Achieved
	100%	75%	100%	100%	None	None	Quarterly AG action plan	Achieved
	n/a	100%	80%	80%	Remaining matters are still to be attended to in consultation with risk officers	To honour the engagement between the two offices	quarterly risk assessment report	Not Achieved

OPERATIONAL PROJECTS						
Strategic Objective	Project	IDP Link	Project Ref	Budget R 000's	adjusted budget	
To provide a systematic integrated spatial / land development policy	site demarcation projects at Ba-Kopa, Ntwane, Ga-Matlala Lehwelere	1,3	LED 2	R 1 000	R 1 000	
	demarcation of Groblersdal industrial site	1,3	LED 3	R 700	R 700	
	Mapochsgronte township development	1,3	LED 5	R 1 000	R 1 000	
to ensure promulgation of all applicable municipal by-laws	projects implemented based on SPLUMA	1,3	LED 4	R 300	R 300	

Expenditure	2016/2017						Achieved / not achieved
	Qtr 4 Milestone	progress	challenges	remedial action	evidence		
R 600	site demarcation application	site demarcation application in place and approved by council	none	none	site demarcation application	Achieved	
R 700	industrial township application	township establishment application in place and approved by council	none	none	industrial township application	Achieved	
R1, 000	opening of township register	township register not opened	Deeds Office unable to open township register and advised that a subdivision of the farm portion has to be done first and it was not included on the scope of work as it was not envisaged	To propose addition of scope for subdivision with associated costs	proclamation notice	Not Achieved	
R200	processing of land development applications based on SPLUMA	land development applications processed in line with SPLUMA	none	none	application register	achieved	

MUNICIPAL MANAGER					
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	
Improved efficiency and effectiveness of the Municipal Administration	Performance Management	% of KPIs and projects attaining organisational targets (total organisation) by 30 June 2017	2,5	Opex	
		Final SDBIP (2017-18) approved by Mayor within 28 days after approval of Budget	2.2	n/a	
		number of formal bi-annual performance reviews conducted with Section 56 employees	2.5	opex	
		% of KPIs and projects attaining organisational targets by 30 Jun 2017 (OMM)	2.5	Opex	
	ICT	number of quarterly ICT steering committee meetings held in terms of the implementation of the ICT governance strategy and policy		Opex	
	New/ review policies	number of new / reviewed policies approved by Council by 30 Jun 2017 (OMM)		n/a	
To implement sound Financial management practices	Expenditure	% spend of the Total Operational Budget by the 30 June 2017 (organisation)	5.7	opex	
		Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure per quarter	5.8	opex	
		% spend of the departmental operational Budget by 30 Jun 2017 (OMM)	5.7	opex	
	Financial management	% spend on total employee remuneration in terms of the operational budget by 30 Jun 2017	5,8	R 109 053,0	
	SCM	% attendance at scheduled Bid committee meetings by the 30 June 2017 (OMM) zero weight	5,6	opex	

expenditure	Audited Baseline 2014/15	Annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	new	90%	66%	Poor planning of capital projects	To improve planning	quarterly performance report	Not Achieved
	1	1	1	None	None	signed 2017/2018 SDBIP	Achieved
	2	2	2	None	None	performance assessment report	Achieved
	45,5%	95%	65%	Slow pace in resolving internal audit and AG findings	Issues to be resolved on 2016-2017 AFS	quarterly performance report	Not achieved
	new	4	4	None	None	attendance register and minutes	Achieved
	N/A	1	1	None	None	council resolution	Achieved
	98%	98%	90%	Complying with circular 84 (cost cutting measures)	None	section 71 report	Not achieved
	36%	<39%	<39%	None	None	section 71 report	Achieved
	99%	95%	100%	None	None	section 71 report	Achieved
	37,2%	<32.3%	33%	leave pay out due to leave payout of employment contracts ended within the last quarter	to ensure that operational budget caters for payout leaves	section 71 report	Not achieved
	N/A	100%	zero weight	zero weight	zero weight	zero weight	zero weight

MUNICIPAL MANAGER					
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	
To strengthen participatory governance within the community	Good Governance	Submission of Final audited consolidated Annual Report to Council in January 2017	6,1	n/a	
		monitor council resolutions by submitting progress reports on the implementation of council resolutions to council at council meeting (rule 7(4a)ES 16/17-01	6,2	n/a	
	IDP Development	Final revised IDP (2017/2018) tabled and approved by Council by the 31 May 2017	6,3	n/a	
To create a culture of accountability and transparency	Audit	Obtain an Unqualified Auditor General opinion for the 2015/16 financial year	6,4	n/a	
		% of Auditor General matters resolved as per the approved audit action plan by 30 June 2017 (Total organisation)	6.5	n/a	
	Risk Management	% execution of identified risk management plan within prescribed timeframes per quarter (Total organisation)	6.6	n/a	
To strengthen participatory governance within the community	Good Governance	Submission of draft unaudited consolidated annual report to Council by August 2016	6.2	n/a	
		Submission of annual report Oversight Report to Council by March 2017	6.3	n/a	
improved efficiency and effectiveness of the municipal administration	Performance management	Adjusted Budget and SDBIP approved by Mayor by the 28th February 2017	2,2	opex	

expenditure	Audited Baseline 2014/15	Annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	1	1	1	None	None	council resolution	Achieved
	new	1	1	None	None	council resolution	Achieved
	1	1	1	None	None	council resolution	Achieved
	Qualified Opinion	unqualified Opinion	Qualified Opinion	4 bases for qualified opinion	To address all the findings and put internal controls in place	final auditor general report	Not achieved
	100%	100%	38%	Audit report issues at 53% in progress and 8% not addressed	issues in progress to be resolved on the 2016/2017 financial statements Meeting with AGSA to advise on the approach and progress made on addressing the issues	audit action plan	Not achieved
	100%	80%	79%	Risks not addressed need funds to be addressed	To allocate enough budget in the next financial year to can be able to address the risks	quarterly risk assessment report	Not Achieved
	1	1	1	None	None	council resolution	Achieved
	1	1	1	None	None	council resolution	Achieved
	1	1	1	None	None	council resolution	Achieved

MUNICIPAL MANAGER					
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	
To strengthen participatory governance within the community	IDP Development	2018/19 IDP review process plan approved by 30 June 2017	6.3	n/a	
		Draft 2017/18 IDP tabled before Council for adoption by March 2017	6,4	n/a	
To create a culture of accountability and transparency	Risk management	number of Risk Management reports submitted to the Risk Management Committee per quarter	6.4	n/a	
To create a culture of accountability and transparency	Risk management	number of quarterly Risk Management Committee meetings convened by June 2017	6.4	n/a	
		% execution of identified risk management plan within prescribed timeframes per quarter (OMM)	6.4	n/a	
		number of Administrative staff workshops held in terms of Risk, Fraud and Corruption by 30 Jun 2017	6,4	n/a	
	Audit	number of Internal Audit reports submitted to the Audit Committee per quarter	6.4	n/a	
		number of quarterly Performance Audit Committee meetings held	6.4	n/a	
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (total organisation)	6,4	n/a	
		% of AG Management Letter findings resolved by 30 Jun 2017	6,5	n/a	
To facilitate economic growth and sustainable job creation	EPWP	grant agreement signed between EMLM and dept. of public works stipulating the EPWP targets	3,4	n/a	

expenditure	Audited Baseline 2014/15	Annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	1	1	1	None	None	approved IDP process plan	Achieved
	1	1	1	None	None	council resolution	Achieved
	4	4	4	none	none	quarterly risk management report	Achieved
	4	4	4	none	none	attendance register and minutes	Achieved
	100%	100%	0%	No risks were indentified in municipal manager's office	none	quarterly risk assessment reports	Not achieved
	new	4	2	Lack of quorum	To engage with senior managers to assist in this matter	attendance register and minutes	Not achieved
	n/a	9	9	None	None	Quarterly IA status reports	Achieved
	n/a	4	4	None	None	agenda and attendance register	Achieved
	62% 24% in progress	80%	66%	18% Not addressed 10% in progress 17% action date not due	Ongoing follow-up by Internal Audit on commitments made by Management	quarterly IA status reports	Not achieved
	100%	75%	65%	26% in progress 2% not addressed 7% no action plan	Issues to be resolved on 2016-2017 AFS	quarterly AG action plan	Not achieved
	new	1	1	None	None	signed grant agreement	Achieved

OPERATIONAL PROJECTS

Strategic Objective	Project	IDP Link	Project Ref	Budget R 000's	
To create a culture of accountability and transparency	Develop 2017/18 Risk Management Plan in line with detailed time schedule	6.4	OMM 1	n/a	
	2017/18 Fraud and Corruption Plan and Strategy reviewed by 30 June 2017	6,7	OMM 3	n/a	
	Review internal audit committee charter and submit to Council for approval by the 30 Jun 2017	6,4	OMM 4	n/a	
improved efficiency and effectiveness of the municipal administration	review and update the PMS framework and procedure manual by 30 Jun 2017	2,5	CS04	n/a	

2016/2017						Achieved / not achieved
Qtr 4 Milestone	progress	challenges	remedial action	evidence		
submit for approval by council	2017/2018 Risk Management Plan approved	none	none	risk management plan	Achieved	
submit for approval by council	2017/18 Fraud and Corruption Plan and Strategy reviewed	none	none	fraud and corruption plan	Achieved	
submit audit committee charter to council for approval	2017/2018 Audit Committee Charter not submitted for Council approval	To serve at the Audit Committee meeting on 26 July 2017 for review by Audit Committee	To serve at Council meeting following the date after 26 July 2017	None	Not achieved	
reviewed PMS framework	reviewed PMS framework	None	None	PMS framework	Achieved	

INFRASTRUCTURE						
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	expenditure	
Reduction in the level of Service Delivery backlogs	Electricity	% of households with access to basic levels of electricity by the 30 June 2017 (GKPI)	4.1	INEP 15500		
		% of electricity consumption reported each month	4,1	n/a		
		% spending on INEP funding by the 30 June 2017	4,2	INEP 13000		
	Roads and Storm Water	Kms of new tarred roads constructed by the 30 June 2017	4,2	MIG 66200		
		% completion of the program of gravel roads bladed by 30 jun 2017	4,2	opex		
	project management		% of new capital projects completed in terms of agreed schedule for EMLM funded projects by Jun 30 2017	4,6	opex	
% of capital budget spend in terms of new IDP identified projects by the 30 June 2017 (GKPI)			4,1	100 999		
% of new Capital projects started on time in terms of the appointment of consultants / contractors for EMLM funded projects as per the Capital implementation plan zero weight			4,6	opex		
Optimise availability of municipal vehicles	fleet management	number of quarterly municipal fleet vehicle report compiled		n/a		

	Audited Baseline 2014/15	Annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	96%	100%	99%	awaiting energizing by Eskom	continued engagement with Eskom	completion certificates	Not achieved
	new	100%	100%	None	None	monthly vending report	Achieved
	n/a	100%	99%	Additional households and insufficient budget	To avail sufficient budget in the next financial year	section 71 report	Not achieved
	8.3km	7km	6,3 km	0,7 Km Laersdrift bus road PH 1A still under construction	to be completed in 2017/18 financial year	completion certificates	Not achieved
	40km	100%	100%	none	none	completion certificates	Achieved
	n/a	100%	90% -Marapong bridge, Roossenekal Streets still on construction and Groblersdal Construction of Klip and Kanaal Streets Phase 2	poor performance of the contractors which delays the projects	to apply penalties for delays in completion of the projects	completion certificates	Not achieved
	0	100%	73%	Slow progress by contractor	Project currently under penalties	section 71 report	Not achieved
	new	100%	zero weight	zero weight	zero weight	zero weight	zero weight
	new	4	4 quarterly fleet management reports	None	None	quarterly fleet management report	achieved

INFRASTRUCTURE					
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	expenditure
Improved efficiency and effectiveness of the Municipal Administration	New / Review Polices	number of new / reviewed policies approved by Council by 30 Jun 2017 (ID)		Opex	
	Performance Management	% of KPIs and projects attaining organisational targets by 30 Jun 2017 (ID)	2.5	Opex	
To implement sound Financial management practices	expenditure	% spend of the Departmental operational Budget by 30 Jun 2017 (ID)	5,1	opex	
		% spend on infrastructure repairs and maintenance by 30 Jun 2017		14715 (4,4%)	
	SCM	% attendance at scheduled Bid Committee meetings	5.6	n/a	
reduction in the level of service delivery backlogs	project management	% spending on MIG funding (15% proportional allocation for sports and recreation) by the 30 June 2017 zero weight	4,4	MIG 9362	
		% spending on MIG funding by the 30 June 2017	4,4	MIG 39314	
To create a culture of accountability and transparency	audit	% of Internal Audit Findings resolved per quarter as per the Audit Plan (ID)	6.4	n/a	
	good governance	% of AG Management Letter findings resolved by 30 Jun 2017 (ID)	6,5	n/a	
	Risk	% execution of identified risk management plan within prescribed timeframes per quarter (ID)	6,6	n/a	

Audited Baseline 2014/15	Annual	2016/2017				Achieved / not achieved
		progress to date	challenges	remedial action	evidence	
n/a	1	1	Policy still at LLF	None	draft policy	Not achieved
85,7%	100%	38%	Poor planning on electricity projects	To do proper planning on all projects	quarterly performance report	Not achieved
98%	95%	64%	there was no need for procurement	None	section 71 report	Not achieved
100%	100%	76%	Slow procurement process	To develop procurement plan	section 71 report	Not achieved
n/a	100%	100%	None	None	attendance register	Achieved
new	15%	zero weighted	zero weighted	zero weighted	zero weighted	zero weighted
100%	100%	77%	additional funding during budget adjustment and slow progress on Laersdrft bus road	Contractors appointed for additional funding	section 71 report	Not achieved
n/a	75%	56% - addressed	14% (includes issues in progress & not addressed)	findings to be corrected in the next financial year going forward	quarterly IA status reports	Not achieved
n/a	70%	0%	100% (includes 67% in progress and 33% not addressed)	findings to be corrected in the next financial year	quarterly AG action plan	Not achieved
n/a	100%	70%	30% (only 3 actions not implemented out of 10 proposed)	To implement the remaining 3 actions in the next financial year	quarterly risk assessment report	Not achieved

OPERATIONAL PROJECTS					
Strategic Objective	Project	IDP Link	Project Ref	Budget R 000's	
reduction in the level of service delivery backlogs	develop and implement infrastructure maintenance plan by 30 Jun 2017	4,6	ID 1	opex	
	conduct a status quo analysis of existing EMLM building, recreational and community facilities by the 30 Jun 2017	4,6	ID 2	opex	
	development of fleet management plan by the 30 Jun 2017 zero weight	4,10	ID 3	opex	

CAPITAL PROJECTS							
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
20	Electrification of households in Monsterlos stadium view(Jerusalema)	To Facilitate For Improved Service Delivery	% electrification of households in Monsterlos stadum view	1000	877 200	1,000,000.00	
25	Electrification of households at Makaepa village	To Facilitate For Improved Service Delivery	% electrification of households in makaepa	1500	1 754 400	1 311 951,75	
9	Electrification of households at Tambo village	To Facilitate For Improved Service Delivery	% electrification of households in tambo village	1000	877 200	877 192,98	

2016/2017						Achieved / not achieved
Qtr 4 Milestone	progress	challenges	remedial action	evidence		
implement infrastructure maintenance plan	short term maintenance plan developed and implemented	unavailability of infrastructure maintenance plan	maintenance plan to be developed in 2017/18 financial year together with roads master plan	None	Not achieved	
submit report to relevant department for evaluation and development of a business plan	none	No capacity	To engage with planning department for assistance	None	Not achieved	
zero weight	zero weight	zero weight	zero weight	zero weight	zero weight	

baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
new	100% of households reticulated for electrification in Monsterlos stadium view by 30 June 2017	98% - Contractor busy with installation of meters	Available budget cannot electrify the required number of households	The project to be done in phases	Progress Report	not achieved
new	100% of households reticulated for electrification at makaeapa by 30 June 2017	95%-contractor busy installing meters	Insufficient budget to upgrade line from dual to 3 phase	To avail sufficient budget in the next financial year	Progress Report	Not achieved
new	100% of households reticulated for electrification at tambo village by 30 June 2017	90%-contractor busy with stringing of airdac	Available budget cannot electrify the required number of households	To avail sufficient budget in the next financial year	Progress Report	Not achieved

CAPITAL PROJECTS							
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
14	Electrification of households at Masakaneng	To Facilitate For Improved Service Delivery	% electrification of households in masakaneng	2000	1 754 400	1 754 385,96	
9	Electrification of households at Jabulani D3	To Facilitate For Improved Service Delivery	% electrification of households in Jabulani D3	2000	1 754 400	1 754 385,96	
4	Electrification of households at Waalkraal A	To Facilitate For Improved Service Delivery	% electrification of households in waalkraal A	1500	1 316 000	1 499 574,53	
11	Electrification of households at Elandsdoorn A	To Facilitate For Improved Service Delivery	% electrification of households in Elandsdoorn A	1000	877 200	871 754,12	
30	Electrification of households at Tshehla Trust	To Facilitate For Improved Service Delivery	% electrification of households in tshehla trust	1000	877 200	736 315,48	
28	Electrification of households at dipakapakeng	To Facilitate For Improved Service Delivery	% electrification of households in dipakapakeng	1500	877 200	1 311 951,75	
18	Electrification of households at Matsitsi	To Facilitate For Improved Service Delivery	% electrification of households in matsitsi	500	438 600	438 395,29	

	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	new	100% of households reticulated for electrification at masakaneng by 30 June 2017	98% completed	Available budget cannot electrify the required number of households	Contractor to follow-up with Eskom about the date to energize	Progress Report	Not achieved
	new	100% of households reticulated for electrification at jabulani D3 by 30 June 2017	90%-contractor busy with stringing of airdac	Available budget cannot electrify the required number of households	To avail sufficient budget in the next financial year	Progress Report	Not achieved
	new	100% of households reticulated for electrification at waalkraal A by 30 June 2017	95% -contractor busy with LV earthing	Available budget cannot electrify the required number of households	To avail sufficient budget in the next financial year	Progress Report	Not achieved
	new	100% of households reticulated for electrification at Elandsdoorn A by 30 June 2017	98% completed	Available budget cannot electrify the required number of households	Contractor to follow-up with Eskom about the date to energize	Progress Report	Not achieved
	new	100% of households reticulated for electrification at tshehla trust by 30 June 2017	100% completed	None	None	completion certificate	Achieved
	new	100% of households reticulated for electrification at dipakapakeng by 30 June 2017	95%-contractor busy installing meters	Available budget cannot electrify the required number of households	To avail sufficient budget in the next financial year	Progress Report	Not achieved
	new	100% of households reticulated for electrification at matsitsi by 30 June 2017	98% completed	Available budget cannot electrify the required number of households	Contractor to follow-up with Eskom about the date to energize	Progress Report	Not achieved

CAPITAL PROJECTS

Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
n/a	Vehicles	To Facilitate For Improved Service Delivery	number of vehicles to be purchased	2500	2 252 540	2 252 540,41	
13	Bulk metering project at Groblersdal zero weight	To Facilitate For Improved Service Delivery	% implementation of bulk metering Groblersdal	1500	0	0,00	
13	Development of workshop	To Facilitate For Improved Service Delivery	% development of workshop	1000	877 200	877 200,00	
20	Hlogotlou street and stormwater control zero weight	To Facilitate For Improved Service Delivery	% construction of Hlogotlou street and stormwater control	2000	0	0,00	
9	Marapong bridge construction	To Facilitate For Improved Service Delivery	% construction of Marapong bridge	3800	5 150 000	7 567 978,31	
13	Kanaal street	To Facilitate For Improved Service Delivery	% construction of kanaal street	1500	6 215 800	13 253 882,75	
21	Kgaphamadi construction of bus road, bridge and stormwater control PH 1C (1KM)	To Facilitate For Improved Service Delivery	% construction of kgaphamadi road	5000	4 386 000	4 385 917,25	

	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	new	7 vehicles purchased by 30 September 2016	7 Vehicles Purchase	None	None	invoices	Achieved
	new	100% implementation of bulk metering at Groblersdal by June 2017	zero weight	zero weight	zero weight	zero weight	zero weight
	25%	100% development of workshop by June 2017	95% - Contractor is on Practical Completion	insufficient funds	To avail funds in the next financial year	Progress Report	Not achieved
	new	100% Completion of storm water channel by 30 June 2017	zero weight	zero weight	zero weight	zero weight	zero weight
	new	100% construction of marapong bridge by 30 June 2017	95%-contractor busy with surfacing	disputes between the contractor and the consultant in relation to rates	Disputes to be resolved	Progress Report	Not achieved
	50%	100% construction of Kanaal road by 30 June 2017	100% construction of Kanaal road by 30 June 2017	None	None	Completion Certificate	Achieved
	50%	100% construction of Kgaphamadi road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved

CAPITAL PROJECTS							
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
14	Kgoshi- Matlala construction of access road and stormwater control PH 1B	To Facilitate For Improved Service Delivery	% construction of kgoshi Matlala access road	5000	4 476 000	4 252 571,23	
26	Kgoshi-Rammupudu construction of access road and storm water control PH 1C	To Facilitate For Improved Service Delivery	% construction of kgoshi Rammupudu road	5000	4 386 000	4 385 964,91	
25	Kgoshi-Matsepe construction of access road and storm water control PH 1A	To Facilitate For Improved Service Delivery	% construction of kgoshi Matsepe road	3091	2 711 028	2 686 400,35	
10	Kgoshi-Mathebe construction of access road and stormwater control PH1A	To Facilitate For Improved Service Delivery	% construction of kgoshi Mathebe road	3800	3 333 400	3 159 859,33	
30	Laersdrift bus road PH 1A	To Facilitate For Improved Service Delivery	% construction of Laersdrift road	5000	4 386 000	3 379 538,32	
19	Mathula construction of road and stormwater control PH 1B	To Facilitate For Improved Service Delivery	% construction of Mathula road	4 528 418	3 972 318	3 971 929,82	

	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	50%	100% construction of Kgoshi Matlala road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	50%	100% construction of Kgoshi Rammupudu road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	new	100% construction of Kgoshi Matsepe road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	new	100% construction of Kgoshi Mathebe road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	new	100% construction of Laersdrift road by 30 June 2017	89%-contractor busy with v-drain and culverts	Contractor has delayed to relocate the existing Eskom service line crossing the road reserve. Hard rock excavation is a challenge on the installation of culverts	Physical progress is slow and the contractor is now on penalties from 5 May 2017	Progress Report	Not achieved
	50%	100% construction of mathula road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved

CAPITAL PROJECTS							
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
22	Mogaung construction of road and stormwater control PH 1B	To Facilitate For Improved Service Delivery	% construction of Mogaung road	5000	4 386 000	4 375 929,86	
20	Monsterlos to Makgopheng Road phase 1G	To Facilitate For Improved Service Delivery	% construction of Makgopheng road	5000	4 386 000	3 570 770,30	
14	Naganeng construction of bus road and stormwater control PH 1A	To Facilitate For Improved Service Delivery	% construction of Naganeng road	1000	877 200	877 192,95	
5	Mpheleng construction of bus road and stormwater control PH 1C	To Facilitate For Improved Service Delivery	% construction of Mpheleng road	5000	4 386 000	4 261 008,54	
4	Nyakoroane Road zero weight	To Facilitate For Improved Service Delivery	% construction of Nyakoroane road	1000	0		
30	Roosenekaal street	To Facilitate For Improved Service Delivery	% construction of Roosenekaal street	2000	1 754 400	1 712 805,78	
15	Zaaiplaas construction of JJ road and stormwater control PH 1C	To Facilitate For Improved Service Delivery	% construction of Zaaiplaas road	5000	4 386 000	4 350 338,42	

	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	50%	100% construction of mogaung road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	50%	100% construction of monsterlos to makgopheng road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	new	100% construction of naganeng road by 30 June 2017	100% designs completed	None	None	Detailed Design Report	Not achieved
	50%	100% construction of mpheleng road by 30 June 2017	100% completed	None	None	Completion Certificate	Achieved
	50%	100% construction of nyakoroane road by 30 June 2017	zero weight	zero weight	zero weight	zero weight	zero weight
	25%	100% construction of Roosenekaal road by 30 June 2017	95%-contractor busy with snaglisted items	Slow progress by contractor	Project currently under penalties	Progress Report	Not achieved
	50%	100% construction of Zaaiplaas road by 30 June 2017	100% completed	None	None	completion certificate	Achieved

CAPITAL PROJECTS							
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
20	upgrading of Hlogotlou stadium	To Facilitate For Improved Service Delivery	% upgrading of Hlogotlou stadium	10000	8 772 000	562 624,28	
n/a	machinery and equipment	To Facilitate For Improved Service Delivery	% purchase of machinery and equipment	0	600	127 716,65	

	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	new	100% upgrading of Hlogotlou stadium by 30 June 2017	14%-contractor busy with foundation of ablution block	The project was initially planned to be implemented by SRSA and the process of appointing the contractor was also done by the department which delayed the appointment	Contractor appointed and site handed over on the 24 May 2017	Progress Report	Not achieved
	new	100% purchase of machinery and equipment	100% purchase of machinery and equipment (high pressure washer, Cut Saw & Cutting Wheel blade)	None	None	invoices	Achieved

CORPORATE SERVICES							
Strategic Objective	Programme	KPI	IDP Ref	budget source	audited baseline 2014/15	expenditure	
To attract, develop and retain ethical and best human capital	Organisational Development	% of advertised positions processed within three months	2,1	opex	100%		
		% of employees from previously disadvantaged groups processed as per the approved EE plan by the 30 June 2017 (GKPI)	2,3	opex	100%		
		% of the municipality's budget actually spent on implementing its workplace skills plan by the 30 Jun 2017 (GKPI)	2,4	opex	100%		
		Review organisational structure and align to the IDP and Budget by 30 June 2017	2,6	opex	1		
		% approved vacant positions processed within (3) months zero weight	2,1	opex	n/a		
		% of beneficiaries trained as per target of Workplace Skill Plan (WSP) by 30 Jun 2017	2,4	opex	n/a		
		number of front line staff trained in the batho pele principles before 30 September 2016	2,4	opex	new		
improved efficiency and effectiveness of the municipal administration	performance management	% of KPI and projects attaining organisational targets by 30 Jun 2017 (CS)	2,5	opex	95,8%		
	new/ review policies	number of new/ reviewed policies approved by council by 30 June 2017		n/a	32		
	ICT	number of quarterly ICT steering committee meetings held in terms of the implementation of the ICT governance strategy and policy zero weighted		opex	new		

annual target	2016/2017					Achieved / not achieved
	Progress to date	Challenges	Remedial action	evidence		
100%	100%	none	none	interview report	achieved	
100%	0%	There is no EE plan in place	To develop EE plan	interview report	Not Achieved	
100%	100%	none	none	training report and training budget	Not Achieved	
1	1	None	None	approved organogram	Achieved	
100%	zero weight	zero weight	zero weight	zero weight	zero weight	
100%	90%	No annual DPW report in place	To request the report from department	approved WSP report and annual DPW report	Not Achieved	
11	0	Lack of proper plan	To develop an implementable plan	attendance registers	Not achieved	
100%	42%	Lack of proper plans and slow pace in addressing internal audit and AG findings	To develop plans and fast track addressing AG findings	quarterly performance report	Not achieved	
34	0	policies required no amendments	none	council resolution	Not achieved	
4	zero weight	zero weight	zero weight	zero weight	zero weight	

CORPORATE SERVICES							
Strategic Objective	Programme	KPI	IDP Ref	budget source	audited baseline 2014/15	expenditure	
To attract, develop and retain ethical and best human capital	labour relations	number of quarterly Local Labour Forum (LLF) meetings held as scheduled	2,6	n/a	n/a		
	workplace health and safety & EAP	number of quarterly Workplace Health and Safety Forum meetings held as scheduled		n/a	new		
		% of legislated posts in terms of Workplace Health and Safety appointed by 30 Jun 2017	2,1	opex	new		
		Conduct a workplace health and safety audit bi-annually		n/a	new		
To implement sound Financial management practices	Expenditure	% spend of the Departmental operational Budget by the 30 Jun 2017 (CS)	5,1	opex	96%		
	SCM	% attendance at scheduled Bid Committee meetings by the 30 Jun 2017 (CS)	5,6	opex	n/a		
To create a culture of accountability and transparency	Audit	% of AG Management Letter findings resolved by the 30 Jun 2017 (CS)	6,5	n/a	100%		
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (CS)	6,4	n/a	n/a		
	Risk	% execution of identified risk management plan within prescribed timeframes per quarter (CS)	6,6	n/a	n/a		

annual target	2016/2017				Achieved / not achieved
	Progress to date	Challenges	Remedial action	evidence	
8	5	lack of quorum	The matter was referred to speaker and senior managers for intervention	attendance register and minutes	Not achieved
3	3	none	none	attendance register and minutes	Achieved
100%	100%	none	none	appointment letters of committee members	Achieved
2	1	the H & S audit is done once a year	To put correct target in future	workplace health and safety audit report	Not achieved
95%	91%	there was no need for procurement	None	section 71 report	Not achieved
100%	100%	None	None	attendance register	Achieved
75%	38%	slow pace in addressing AG Findings	to fast track the pace of addressing AG findings	quarterly AG action plan	Not achieved
75%	68%	slow pace in addressing Internal Audit Findings	to fast track the pace of addressing IT findings	quarterly IA status reports	Not achieved
100%	89%	slow pace in the execution of identified risk management plan	To fast track the execution of identified risk man plan.	quarterly risk assessment report	Not achieved

CORPORATE SERVICES							
Strategic Objective	Programme	KPI	IDP Ref	budget source	audited baseline 2014/15	expenditure	
To create a culture of accountability and transparency	Legal services	% of Service Level Agreements (SLA's) processed	6,4	n/a	100% (24)		
		% of Lease Agreements processed	6,4	n/a	100% (20)		
	customer services	number of quarterly customer complaints reports processed (inclusive of presidential hotline)	6,5	opex	2		

CORPORATE SERVICES - CAPITAL PROJECTS							
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	Adjusted budget	expenditure	
n/a	furniture	Improved efficiency and effectiveness of the municipal administration	purchase of furniture	300	400	306 928	
n/a	Mobile offices	To Facilitate For Improved Service Delivery	maintenance of mobile offices	300	0	300	
n/a	computer equipment	Improved efficiency and effectiveness of the municipal administration	purchase of computer equipment	350	1 550 000	1 180 242	

annual target	2016/2017					Achieved / not achieved
	Progress to date	Challenges	Remedial action	evidence		
100%	100%	none	none	copies of SLA processed	Achieved	
100%	0%	No lease agreements needed to be processed	none	copies of Lease agreements processed	Not achieved	
4	4	None	none	customer complaints reports	Achieved	

baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
100%	purchase of furniture	furniture purchased	none	none	delivery note	Achieved
new	maintenance of mobile offices	mobile offices maintained	none	none	delivery note	Achieved
100%	purchase of computer equipment	computer equipment purchased	none	none	delivery note	Achieved

CORPORATE SERVICES - OPERATIONAL PROJECTS						
Strategic Objective	Project	IDP Link	Project Ref	Budget R 000's	annual Milestone	
improved efficiency and effectiveness of the municipal administration	conduct a skills need audit by 30 June 2017	2,4	CS 01	n/a	complete skills need audit	
	conduct an employee satisfaction survey by 30 June 2017		CS 02	n/a	generate report and submit to OMM	
	review and update the employment equity plan by 30 June 2017	2,3	CS 03	n/a	reviewed employment equity plan	

COMMUNITY SERVICES						
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	expenditure	
Reduction in the level of Service Delivery backlog	Waste management	% of households with access to a minimum level of basic waste removal by 30 June 2017 (once per week) (GKPI)	4,5	opex		
		number of existing households in formal settlements provided with solid waste removal services by 30 Jun 2017 zero weight	4.5	opex		
facilitate promotion of education upliftment within communities	Education / Libraries	number of initiatives held to promote the library facilities by 30 Jun 2017	4.4	n/a		
To ensure communities are contributing towards climate change and reduction of carbon footprint	Environmental management	number of environmental awareness campaign conducted in terms of waste management by 30 Jun 2017	4.5	Opex		

2016/2017					Achieved / not achieved
progress	challenges	remedial action	evidence		
complete skills need audit	none	none	skills audit report	Achieved	
No report generated	employee satisfaction survey form not distributed	to distribute the satisfaction survey form to employees	employee satisfaction survey report	Not Achieved	
None	no employment equity plan in place	to develop the employment equity plan	Employment equity plan	Not Achieved	

Audited Baseline 2014/15	2016/2017						Achieved / not achieved
	Annual	progress to date	challenges	remedial action	evidence		
16,5%	20%	16,5%	unable to extent to new areas due to financial constraints	to be budgeted for in alter years	weekly waste collection schedules	Not achieved	
9934	700 (10634)	zero weight	zero weight	zero weight	zero weight	zero weight	
new	4	4	None	None	attendance register	Achieved	
4	4	4	None	None	reports and attendance register	Achieved	

COMMUNITY SERVICES						
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	expenditure	
Increase the accessibility of emergency services to the community	Disaster management	number of Disaster awareness campaigns conducted by 30 Jun 2017	4.4	Opex		
		% response to reportable incidents	4,5	n/a	R 0,0	
facilitate safe and secure neighbourhoods and traffic law enforcement	safety and security	number of community safety forum meetings held		n/a	R 0,0	
		training of the community safety members young civilians on patrol (YCOP)		opex		
		Installation of license plate recognition cameras to monitor offenders zero weight		opex		
	traffic law enforcement	number of law enforcement operations at hotspots zero weight		n/a	R 0,0	
		Speed calming measures via speed camera law enforcement		n/a	R 0,0	
Improved efficiency and effectiveness of the Municipal Administration	New / Review Polices	number of new/ reviewed policies approved by council by Jun 2017		Opex		
	Performance Management	% of KPI and projects attaining organisational targets by 30 Jun 2017 (SS)	2.5	Opex		

	Audited Baseline 2014/15	2016/2017					Achieved / not achieved
		Annual	progress to date	challenges	remedial action	evidence	
	12	4	4	None	None	attendance register	Achieved
	n/a	100%	100%	None	None	monthly register logging reportable incidents	Achieved
	new	3	7	None	None	attendance register	Achieved
	new	1	1	None	None	training certificates for YCOP	Achieved
	new	8	zero weight	zero weight	zero weight	zero weight	zero weight
	new	192	zero weight	zero weight	zero weight	zero weight	zero weight
	new	40	456	None	None	statistical report from speed cameras	Achieved
	n/a	1	None	The policy for indigent Burial could not be reviewed due to financial Constraints	Provision be made on the 2018/19 Financial year	none	Not achieved
	53,8%	100%	56%	Financial constraints and implementation of circular 84	To be budget for in 2018/2019 financial year	quarterly performance report	Not achieved

COMMUNITY SERVICES						
Strategic Objective	Programme	KPI	IDP Ref	Budget R 000's	expenditure	
To implement sound Financial management practices	Expenditure	% spend of the Departmental operational Budget (CS)	5.1	Opex		
	SCM	% attendance at scheduled Bid Committee meetings	5.6	n/a	n/a	
To create a culture of accountability and transparency	Audit	% of AG Management Letter findings resolved by 30 Jun 2017 (SS)	6,5	n/a	R 0,00	
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (SS)	6.4	n/a	R 0,00	
	Risk	% execution of identified risk management plan within prescribed timeframes per quarter (SS)	6,6	n/a	R 0,00	

COMMUNITY SERVICES - CAPITAL PROJECTS					
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	
n/a	Grass cutting Industrial Machine (lawnmower, chain saw, brush cutters, pole zero weight	To Facilitate For Improved Service Delivery	number of grass cutting industrial machine	500	
20	Borehole for Hlogotlou Satellite Office zero weight	To Facilitate For Improved Service Delivery	number of borehole for hlogotlou satellite office	100	

Audited Baseline 2014/15	2016/2017					Achieved / not achieved
	Annual	progress to date	challenges	remedial action	evidence	
96%	96%	86%	Complying with circular 84 (cost cutting measures)	None	section 71 report	Not achieved
n/a	100%	100%	None	None	attendance register	Achieved
100%	75%	0%	Financial constraints	To complete them in the 2018/19 Financial year	quarterly AG action plan	not achieved
n/a	80%	62%	4 Items are not applicable and cannot be addressed now	Outstanding items will be addressed on due date	Quarterly IA status reports	not achieved
n/a	100%	85% attained in terms of identified Risk Management	Some on the Risks are still in progress	To complete them in the 2018/19 Financial year	Quarterly risk assessment report	not achieved

adjusted budget	Expenditure	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
0	0	new	purchased 7 grass cutting and industrial material by 31 December 2016	zero weight	zero weight	zero weight	zero weight	zero weight
0	0	new	01 borehole for hlogotlou satellite office by 31 March 2017	zero weight	zero weight	zero weight	zero weight	zero weight

COMMUNITY SERVICES - CAPITAL PROJECTS					
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	
13 and 30	Monitoring borehole (landfill site) Groblersdal Roosenekaal zero weight	To Facilitate For Improved Service Delivery	number of inspections of borehole (land fill site) within Groblersdal and Roosenekaal	400	
10	Development of transfer station: Ntwane zero weight	To Facilitate For Improved Service Delivery	% development of transfer station:Ntwane	500	
13	upgrading of driving license testing centre zero weight	To Facilitate For Improved Service Delivery	% upgrading of driving licence testing centre	500	
n/a	Fire Arms	To Facilitate For Improved Service Delivery	number of fire arms to be purchased	180	
13	development of recreational facility (Hoep-Hoep and Impala park) zero weight	To Facilitate For Improved Service Delivery	% development of recreational facility	600	

	adjusted budget	Expenditure	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	0	0	new	8 inspections conducted by June 2017	zero weight	zero weight	zero weight	zero weight	zero weight
	0	0	25%	100% Development of Transfer Station – Ntwane by 30 June 2017	zero weight	zero weight	zero weight	zero weight	zero weight
	0	0	50%	100% upgrading of license office by 30 June 2017	zero weight	zero weight	zero weight	zero weight	zero weight
	180	174 435.13	new	7 firearms purchased by 31 December 2016	7 firearms purchased	None	None	invoices	Achieved
	0	0	25%	100% development of recreational facility	zero weight	zero weight	zero weight	zero weight	zero weight

BUDGET AND TREASURY						
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure	
to provide free basic services to registered indigents	indigents	% of (indigents) households with access to free basic electricity services by 30 Jun 2017 (GKPI)	4,9	N/A		
To implement sound Financial management practices	Financial management	Cost coverage ratio by the 30 June 2017 (GKPI)	5,1	N/A		
	Revenue	% outstanding service debtors to revenue by the 30 June 2017 (GKPI)	5,2	N/A		
		% Debt coverage ratio by the 30 June 2017 (GKPI)	5,3	N/A		
	Compliance to MFMA legislation	Submission of MTRE Budget to Council for approval by the 31st May	5,4	N/A		
compliance to MFMA legislation	legislative compliance	Draft Annual Financial Statements (AFS) submitted to council on August 2016	5,5	N/A		
	SCM	number of monthly SCM deviation reports submitted to the MM	5,6	N/A		
	legislative compliance	number of MFMA checklists submitted per quarter as legislated	5,4	n/a		
		number of monthly section 71 MFMA reports submitted to EXCO within legislative timeframes	5,5	n/a		
		number of quarterly section 52 (d) MFMA reports submitted to Mayor within legislative timeframes	5,5	n/a		

	audited baseline 2014/15	annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	1281 (2.1%)	1500 (2.5%)	17%	Delay in capturing of the indigents by Eskom due to configuration of indigents register.	Meeting to be held with Eskom to address the challenges on configuration.	indigent register	Not Achieved
	3:1	4:1	4:1	None	None	section 71 report	achieved
	7%	5%	5%	None	None	section 71 report	achieved
	new	200%	n/a	The municipality does not have any debt incurred.	n/a	section 71 report	Not achieved
	1	1	1	Final MTRE Budget submitted to Council for approval by the 31st May	None	council resolution	Achieved
	1	1	1	None	None	draft annual financial statements	Achieved
	12	12	07	Deviations were not prepared accordingly	For prepare deviations on monthly basis and make submission to MM	monthly SCM deviation reports	Not Achieved
	12	12	12	None	None	MFMA check list	Achieved
	12	12	12	None	None	section 71 report	Achieved
	4	4	4	None	None	section 52 report	Achieved

BUDGET AND TREASURY						
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure	
		section 72 (mid-year) MFMA reports submitted to mayor within legislative timeframes	5,5	opex		
		Annual submission of the asset verification report to the MM by 30 Sept 2016	5,6	opex		
To implement sound financial management practices	Revenue	% of consumer payment level received as compared to that billed by 30 Jun 2017	5,2	Opex		
	expenditure	% spend of the departmental operational budget by 30 June 2017 (finance) zero weight	5,1	Opex		
		% of approved (compliant) invoices paid within 30 days	5,3	Opex		
		% spend of the FMG funds by 30 Jun 2017	5,4	FMG 1625		
	SCM	Average number of days elapsed on processing successful bids for tenders over R200,000	5,6	n/a		
		% attendance at scheduled Bid Committee meetings per quarter	5,6	n/a		

	audited baseline 2014/15	annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	1	1	1	None	None	section 72 report	Achieved
	2	1	1	None	None	fixed asset verification report signed by MM	Achieved
	91,8%	<134,8%	90%	Non-payment of property rates and services in R293 Townships	Campaigns to encourage payment of services	section 71 report	Not achieved
	38%	95%	zero weighted	zero weighted	zero weighted	zero weighted	zero weighted
	new	100%	100%	None	None	monthly expenditure invoice reconciliation report	Achieved
	new	100%	100%	None	None	section 71 report	Achieved
	n/a	45	45	None	None	BAC reports	Achieved
	n/a	100%	100%	None	None	attendance register	Achieved

BUDGET AND TREASURY						
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure	
Improved efficiency and effectiveness of the Municipal Administration	New / Review Polices	number of new / reviewed policies approved by Council by 30 Jun 2017 (Finance)		n/a		
	Performance Management	% of KPIs and projects attaining organisational targets by 30 Jun 2017 (Finance)	2.5	Opex		
To create a culture of accountability and transparency	Audit	% of AG Management Letter findings resolved by 30 Jun 2017 (Finance)	6,5	n/a		
		action plan on issues raised by the Auditor general compiled and tabled to council by January 2017	6,5	n/a		
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (Finance)	6.4	n/a		
	Risk	% execution of identified risk management plan within prescribed timeframes per quarter (Finance)	6,6	n/a		

	audited baseline 2014/15	annual	2016/2017				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	8	8	13	None	None	council resolution	Achieved
	77,8%	100%	67%	Slow pace in resolving internal audit and AG findings	Issues to be resolved on 2016-2017 AFS	quarterly performance report	Not Achieved
	100%	75%	65%	Year-end issues to be finalised on compilation of the financial statements and delay of finalisation of Section 32 expenditures report by the MPAC.	Finalisation of the issues on compilation of the financial statements.	quarterly AG action plan	not achieved
	n/a	1	1	None	None	AG action plan	Achieved
	n/a	80%	30%	The departmental review not done in totality as some of the reviews will be done in the second half of 2017/2018.	Meeting held with internal audit and resolved to address the majority of the issues in first quarter.	quarterly IA status reports	not achieved
	n/a	85%	85%	None	None	quarterly risk assessment report	achieved

BUDGET AND TREASURY - OPERATIONAL PROJECTS						
Strategic Objective	Project	IDP Link	Project Ref	Budget R 000's	Qtr. 4 Milestone	
To implement sound Financial management practices	Effective implementation of the Standard Charter of Accounts (SCOA) system by the 30 June 2017	5,4	F 1	opex	report of NT received an decision on way forward made	
	Develop a revenue enhancement strategy and submit to Council by the 30 Jun 2017	5,2	F2	opex	draft revenue enhancement strategy submitted to council for approval by 30 June 2017	
	Conduct a data cleansing processes to ensure the revenue database is accurate by 30 Jun 2017	5,2	F3	opex	data cleansing processes of revenue database completed	
	Conduct a study to revalidate the indigent register by the 30 Jun 2017	4,9	F4	opex	study to revalidate the indigent register completed	

EXECUTIVE SUPPORT						
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure	
facilitate promotion of health and well-being of communities	transversal programmes	number of Transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, gender, disabled, woman and Children Rights by the 30 Jun 2017	4,7	opex		

2016/2017					Achieved / not achieved
	progress to date	challenges	remedial action	evidence	
	Feedback received from the National Treasury on MSCOA ICT due diligence	None	None	report	Achieved
	The draft revenue enhancement strategy applicable.	Delay in discussion of the strategy in the broad management meeting.	The revenue enhancement strategy will be discussed and submitted to Council by the end of first quarter in 2017/2018 financial year.	draft revenue strategy	Not achieved
	The data cleansing report was compiled until the end of November 2016 and 31 July 2017	None	None	data cleansing report	Achieved
	0	Budget constraints to revalidate the register as at 30 June 2017.	The register will be revalidated in 2017/2018 budget year and beneficiaries updated accordingly.	report	Not achieved

	audited baseline 2014/15	annual	2016/17				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	new	6	6	None	None	programme and attendance register	Achieved

EXECUTIVE SUPPORT							
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure		
to strengthen participatory governance with the community	Community Participation	number of Community Satisfaction Surveys conducted by the 30 Jun 2017	6,5	opex			
		number of public participation meetings facilitated zero weight	6,3	opex			
		number of ward operational plan reports submitted to council by the 30 Jun 2017	6,3	n/a			
to strengthen participatory governance with the community	Community Participation	submit quarterly ward committee meeting monitoring reports to council	6,3	n/a			
		number of quarterly reports submitted to council in terms of items raised during public participation, within the mandate of council, that are processed and resolves within (3) months	6,6	opex			
to create a culture of accountability and transparency	MPAC	number of MPAC reports submitted to council	6,7	opex			
	Audit	% internal audit findings resolved per quarter as per the audit plan (ES)	6,4	opex			
		% AG management letter findings resolved by 30 Jun 2017 (ES) zero weight	6,5	opex			
	good governance		number of council meeting held by June 2017 as per legislation	6,2	n/a		
			number of Exco meetings held each month	6,2	n/a		
			number of section 79 committee meetings held each quarter zero weight	6,2	opex		

	audited baseline 2014/15	annual	2016/17				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	0	1	0	Not budgeted for	to budget for in the next financial year	None	Not achieved
	4	2	zero weight	zero weight	zero weight	zero weight	zero weight
	4	1	1	None	None	council resolution ES16/17-17	Achieved
	new	4	1	Ward Committees only inducted in February 2017	to facilitate the process effectively	council resolution	Not achieved
	new	2	1	only one report was developed and submitted	to develop the report and submit to council	quarterly public participation resolution register	Not achieved
	new	3	3	none	none	MPAC reports	Achieved
	n/a	90%	86%	other matter were still within the timeframe of resolving	to finalise the matters raised	Quarterly IA status reports	Not achieved
	100%	100%	zero weight	zero weight	zero weight	zero weight	zero weight
	4	4	12	none	none	attendance register	Achieved
	n/a	12	15	none	none	attendance register	Achieved
	n/a	4	zero weight	zero weight	zero weight	zero weight	zero weight

EXECUTIVE SUPPORT						
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure	
to create a culture of accountability and transparency	Risk	% execution of identified risk management plan within prescribed timeframes per quarter (ES)	6,6	n/a		
to strengthen participatory governance with the community	Customer/ Stakeholder relationship management	number of initiatives implemented each quarter to improve communication channels through radio broadcasts	6,5	opex		
		number of councillors workshops held in terms of induction of new candidates before the 30 Sept 2016	6,2	opex		
		number of quarterly customer complaint reports submitted to council (inclusive of presidential hotline) zero weight	6,5	opex		
Improved efficiency and effectiveness of the Municipal Administration	New / Review Polices	number of new / reviewed policies approved by Council by 30 Jun 2017 (ES)		Opex		
	Performance Management	% of KPIs and projects attaining organisational targets by 30 Jun 2017 (ES)	2,5	Opex		
To facilitate promotion of health and well- being of communities	Mayoral programme	number of mayoral outreach projects initiated by 30 Jun 2017	4,6	1000 000		
	Speaker's programme	number of Speakers outreach projects initiated by 30 June 2017		800		
	MPAC programme	number of MPAC outreach projects initiated by 30 Jun 2017		300		

	audited baseline 2014/15	annual	2016/17				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	n/a	100%	58%	to continue to mitigate the identified risks	to continue to mitigate the identified risks	Quarterly risk assessment report	Not achieved
	new	4	4	none	none	quarterly report	Achieved
	new	1	2	none	none	attendance register	Achieved
	2	4	zero weight	zero weight	zero weight	zero weight	zero weight
	n/a	1	1	none	none	council resolution	Achieved
	89%	100%	65%	Lack of activity plan	To develop activity plans in future	quarterly performance report	Not achieved
	4	2	2	none	none	programme and attendance register	Achieved
	2	2	0	Busy launching the ward committees	To induct the ward councillors	None	Not achieved
	1	1	1	none	none	programme and attendance register	Achieved

EXECUTIVE SUPPORT						
Strategic Objective	Programme	KPI	IDP Ref	Budget source R 000's	expenditure	
To implement sound Financial management practices	Expenditure	% spend of the Departmental operational Budget by 30 Jun 2017 (ES)	5.1	Opex		
	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017	5.6	n/a		

EXECUTIVE SUPPORT – CAPITAL PROJECTS						
Ward No.	Project	Strategic Objective	key performance indicator	Original Budget R 000's 2016-17	adjusted budget	
n/a	signage: municipal buildings	improved efficiency and effectiveness of the municipal administration	% purchase of signage for municipal chamber	0	600	

	audited baseline 2014/15	annual	2016/17				Achieved / not achieved
			progress to date	challenges	remedial action	evidence	
	n/a	95%	98%	None	None	section 71 report	achieved
	n/a	100%	100%	None	None	attendance registers	achieved

	Expenditure	baseline	annual target	progress to date	challenges	remedial action	evidence	Achieved / not achieved
	296 000	new	100% purchase of signage for municipal chamber	100% purchase of signage for municipal chamber	None	None	invoices	Achieved

Summary of Comparison of Annual Performance between 2015/2016 and 2016/2017 Report

Number	Key Performance Area	Total number of KPIs		Number of KPI's achieved		Number of KPI's not achieved		
		2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	
1	Spatial Rationale	10	9	8	8	2	1	
2	Municipal transformation and institutional development	32	27	21	17	6	8	
3	Local economic development	9	4	3	4	3	0	
4	Basic service delivery and Infrastructure development	72	67	37	29	16	24	
5	Financial viability and management	16	30	12	18	1	9	
6	Good governance and public participation	28	34	20	23	6	8	
	TOTAL	167	171	101	99	34	50	

	Zero weighted		Not applicable		Relocation of funds		Performance percentage per KPA	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	0	0	0	0	0	0	80%	89%
	4	2	1	0	0	0	75%	68%
	3	0	0	0	0	0	50%	100%
	7	14	0	0	11	0	69%	55%
	3	3	0	0	0	0	92%	66%
	1	3	1	0	0	0	78%	74%
	18	22	2	0	11	0	74%	66%

04

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE



COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4 OVERVIEW

4.1 Employees totals, Turnover and Vacancies

Municipality advertise vacant posts in the national print media and on the municipal website and those who are interested they do apply for the advertised posts. Municipality follows its approved recruitment policy in filling of the vacant positions.

Table 1: staff turnover

Description	Total
Terminations	8
Contract ended	2
Retention	0
Death	4
Retirements	1
Ill health	0
Dismissal	0
Resignation	1
Total number of vacancies	54
Total number of employees	361
Total post on the organogram	415

Table 2: employees for human resource services

Employees: Human Resource Services				
Job Level (task grades)	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 – 12	10	4	6	60%
13 – 15	1	1	0	0%
16 – 18	3	2	1	0%
Section 56 & 57	7	6	1	14%
Total	21	13	8	60%

Table 3: organisational structures information

Employees					
Description	2015/2016	2016/2017			
	Employees	Approved Posts	Employees	vacancies	Variance
	No.	No.	No.	No.	%
Electricity	11	09	9	0	0%
Roads	50	60	60	1	1%
Planning and Local Economic Development	8	15	5	2	1.15%
Community services	131	140	104	36	1%
Environmental Protection	36	40	43	4	4%
Corporate Policy Offices and Other	106	149	139	14	1%
Sports and recreation	1	1	2	0	0%
Totals	343	465	415	57	8.2%

Table 4: Vacancy rate information

Vacancy Rate 2016/2017			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
Municipal Manager	1	0	
CFO	1	0	
Other S57 Managers (excluding Finance Posts)			
Executive Support	1	0	0
Development Planning	1	0	0
Community Services	1	0	0
Infrastructure	1	1 year	0
Corporate Services	1	0	0
Other S57 Managers (Finance posts) Manager Assets			
Chief Audit Executive	n/a	n/a	n/a
Senior management: Levels 13-15 (excluding Finance Posts)			
Chief Risk Management Officer(T15)	1	0	0
Manager Internal Auditor (T15)	1	0	0
Manager PMS (T15)	1	0	0
Manager Communication (T15)	1	2 years	0
Manager IDP (T15)	1	0	0
Manager Environmental Services	1	0	0
Manager Public Safety (T15)	1	0	0
Manager Licensing (T15)	1	0	0
Manager Motetema Service Delivery Point(T15)	1	0	0
Manager Hlogotlou Service Delivery Point (T15)	1	0	0
Manager Roosenekal Service Delivery Point(T15)	1	2 years	0
Manager Uitspanning Service Delivery Point(T15)	1	2 years	
Electrical Engineer (T16)	1	0	0
Manager Electrical (T15)	1	2 years	0
Manager PMU (T15)	1	0	0
Manager Road, Storm water & Maintenance (T15)	1	3 months	0
Manager Road Construction (T15)	1	8 months	0
Legal Advisor (T16)	1	5 months	0

Vacancy Rate 2016/2017			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
Manager Executive Support (T16)	1	2 months	0
Manager Human Resource (T15)	1	0	0
Manager Council Support (T15)	1	0	0
Manager ICT (T15)	1	0	0
Manager Assets	1	0	0
Manager Supply chain	1	0	0
Manager Expenditure	1	0	0
Manager revenue	1	0	0
Manager budget	1	0	0
Manager administration	1	0	0
Manager LED	1	0	0
Manager fleet	1	0	0
Deputy CFO	1	1 year	0

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The municipality has developed policies as a guideline to all officials and are reviewed as a when the need arises. For the year under review 15 policies were reviewed and 01 policy was developed.

Table 5: Approved and reviewed policies

No.	Policy name	Approved	Reviewed	Resolution number
1	Credit Control policy		√	F16/17-62
2	Investment policy		√	F16/17-62
3	Annual Budget policy		√	F16/17-62
4	Borrowing policy		√	F16/17-62
5	Expenditure Management policy		√	F16/17-62
6	Asset Management policy		√	F16/17-62
7	Supply Chain Management policy		√	F16/17-62
8	Indigent policy		√	F16/17-62
9	Virement policy		√	F16/17-62
10	Funding and Reserve policy		√	F16/17-62
11	Property Rates policy		√	F16/17-62
12	Tariff policy		√	F16/17-62
13	Performance Management Framework		√	M16/17-84
14	Communication strategy		√	ES16/17-19
15	Social media policy		√	ES16/17-20
17	EMLM Densification policy	√		D16/17-96
18	Reviewed draft 2016/2017 fraud and corruption strategy			M16/17-87
19	Reviewed draft 2016/2017 risk management policy			M16/17-88
20	Reviewed draft 2016/2017 risk management strategy			M16/17-89

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 6: Cost of injuries 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	None	None	None	None	0
Temporary total disablement	None	None	None	None	0
Permanent disablement	none	None	none	none	None
Fatal	none	None	none	none	None

Table 7: Number and period of suspension

Number and period of suspension				
Position	Nature of Alleged Misconduct	Date of suspension	Disciplinary action taken or Status of Case and Reasons why not Finalized	Date Finalized
Sports Arts and Culture Officer	insolence, threats and intimidation and bringing the municipality into disrepute	None	The case is finalised, aggravating factors submitted to the commissioner for finalisation	The case is finalised, awaiting verdict.

Table 8: Cases on Financial Misconduct information

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
None	None	None	None

4.4 PERFORMANCE MANAGEMENT

In EMLM, performance management is limited to Section 56 Managers. The municipality has conducted the 2015/2016 annual performance assessments for 06 senior managers who signed the performance agreements and no senior manager qualified for performance bonuses. The 2016/2017 mid-year assessment was also conducted as a measure to detect poor performance at an early stage. Through the session, senior managers are offered an opportunity to state their challenges and be assisted by panel members based on those challenges in order to meet their set targets by the end of the financial year. During the year under review the following officials signed their performance agreements:

Table 9: Performance agreements

signing of performance agreement		
Officials	signed	not signed
Municipal Manager		
Senior manager: Executive Support		
Chief financial officer		
Senior manager : community services		
Acting Senior manager: Infrastructure		
Senior manager : development planning		
Senior manager : Corporate services		

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 Skills development and training

Municipality has a work skills plan (WSP) 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, 22 employees and 66 councillors received different training. The WSP and annual training report were submitted to LGSETA.

Municipality budgeted R1 007 000 for training and spent R586 011.00 The variance for the year was R420 989.00. Municipality did not mandatory grants in the form of rebates from LGSETA for the year under review.

Table 10: Training for officials

Programme	No. Of Officials	Males	Female	Status
Risk and Audit indaba	07	5	2	Completed
Grader and TLB Course	4	4	0	Completed
VIP	1	1	0	Completed
Certificate in municipal governance	1	1	0	Completed
Supply Chain Management	3	2	1	In-progress
Effective Report writing	4	3	1	Completed
OD-ETDP	2	1	1	Completed
Total	22	17	05	

Table 11: training for councillors

Programme	No. Of Councillors	Males	Female	Status
Risk and Audit Indaba	5	5	0	Completed
Higher Certificate in municipal Governance	3	2	1	Completed
Councillor Induction Programme	58	31	27	Completed
TOTAL	66	38	28	

Table 12: Compliance with prescribed minimum competency levels

Prescribed minimum competency levels						
Description	A Total number of officials employed by municipality (regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (regulation 14(4)(b) and (d))	Consolidated: total number of officials whose performance agreements comply with regulation 16 (regulation 14(4)(f))	Consolidated: total number of officials that meet prescribed competency levels (regulation 14(4)(e))
Financial officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	0	0	0
Senior Managers	4	0	4	4	4	4
Any other financial officials	38	0	38	0	0	38
Finance managers	5		5			5
Supply chain management officials	4	0	4	0	0	4
Heads of supply chain unit	1	0	1	0	0	1
Supply chain management senior managers	0	0	0	0	0	0

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.

4.7 DISCLOSURE OF FINANCIAL INTEREST

Disclosure forms are given to all officials and councillors at the beginning of the financial year for completion



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CHAPTER 5

FINANCIAL INFORMATION

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

Elias Motsoaledi Local Municipality handed over the 2016/17 annual financial statements to the Auditor General (Limpopo) on 31st August 2017 as per the Municipal Finance Management Act. The aforesaid components of the financial statements are discussed in detail below:

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2015/16	Budget Year 2016/17			2016/17 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	22,395	23,981	23,780	25,815	-7.6%	-8.6%
Service charges	69,588	81,102	78,960	77,251	4.7%	2.2%
Investment revenue	4,290	3,829	3,479	2,889	24.5%	16.9%
Transfers recognised - operational	216,652	213,105	213,105	213,105	0.0%	0.0%
Other own revenue	17,378	15,589	22,294	72,026	-362.0%	-223.1%
Total Revenue (excluding capital transfers)	330,303	337,606	341,618	391,085	-15.8%	-14.5%
Employee costs	112,151	109,053	112,496	117,781	-8.0%	-4.7%
Remuneration of Councillors	19,061	18,908	20,292	20,298	-7.3%	0.0%
Depreciation & asset impairment	49,728	35,796	50,000	47,998	-34.1%	4.0%
Finance charges	2,141	60	2,760	1,426	-2276.9%	48.3%
Materials and bulk purchases	69,966	68,906	73,404	78,603	-14.1%	-7.1%
Transfers and grants	313	2,128	2,248	708	66.7%	68.5%
Other expenditure	114,765	94,063	107,161	229,263	-143.7%	-113.9%
Total Expenditure	368,125	328,915	368,361	496,076	-50.8%	-34.7%
Surplus/(Deficit)	(37,822)	8,690	(26,743)	(104,990)	1308.1%	-292.6%
Transfers recognised - capital	77,188	75,419	85,419	68,930	8.6%	19.3%
Contributions & Contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	39,366	84,109	58,676	(36,060)		
Share of surplus/ (deficit) of associate	-	-	-	-		
Surplus/ (Deficit) for the year	39,366	84,109	58,676	(36,060)		
Capital expenditure & funds sources						
Capital expenditure	108,388	94,449	95,778	80,665	14.6%	15.8%
Capital transfers recognised	77,188	75,419	74,398	68,895	8.7%	7.4%
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally generated funds	31,200	19,030	21,380	11,770	38.2%	44.9%
Total sources of capital funds	108,388	94,449	95,778	80,665	14.6%	15.8%
Financial position						
Total current assets	58,124	72,418	87,686	87,618		
Total non current assets	979,292	993,473	1,040,124	1,006,770		
Total current liabilities	69,263	31,896	79,705	99,680		
Total non current liabilities	95,865	90,513	85,185	89,811		
Community wealth/Equity	872,288	943,481	962,921	904,896		
Cash flows						
Net cash from (used) operating	22,790	119,326	89,505	98,321	17.6%	-9.8%
Net cash from (used) investing	(30,567)	(89,449)	(67,620)	(81,193)	9.2%	-20.1%
Net cash from (used) financing	(5,415)	(8,857)	(8,187)	(8,149)	8.0%	0.5%
Cash/cash equivalents at the year end	11,965	27,259	25,664	20,944	23.2%	18.4%
Cash backing/surplus reconciliation						
Cash and Investment available	11,965	36,616	25,664	20,944	42.8%	18.4%
Application of Cash and Investments	4,124	(696)	17,492	16,956	2537.1%	3.1%
Balance - surplus/(shortfall)	7,841	37,312	8,172	3,989	89.3%	51.2%
Asset Management						
Asset Register Summary (WDV)	967,888	892,303	934,595	938,356	-5.2%	-0.4%
Depreciation and Asset Impairment	49,728	35,796	50,000	47,998	-34.1%	4.0%
Renewal of Existing Assets	30,190	52,719	53,938	13,791	73.8%	74.4%
Repairs and Maintenance	9,606	14,715	10,498	12,873	12.5%	-22.6%
Free Services						
Cost of Free Basic Services	313	1,000	1,000	708	29.2%	29.2%
Revenue of Cost of Free Services Provided	1,613	5,725	6,725	8,568	-49.7%	-27.4%
Households Below Minimum Service Level						
Energy	1,441	1,550	1,550	1,661	-7.2%	-7.2%
Refuse	48,493	54,210	54,210	52,160	3.8%	3.8%

COMMENT ON FINANCIAL PERFORMANCE

Revenue

Property rates

The original budget for property rates for 2016/17 financial year was R23, 981 million which was adjusted downwards to R23, 780 million and the actual revenue billed is R25, 815 million. This gave rise to over performance variance of 7,65% and 8,56% respectively on original budget and adjusted budget.

Service charges

This is made up of service charges for electricity and refuse removal and the original budget thereof was R81, 102 million that was slightly adjusted downwards to R78, 960 million and the actual revenue generated was R77, 251 million that reflects a 4,7% and 2,2% under performance variance respectively on both original budget and adjusted budget.

Investment revenue

The investment revenue is mainly interest earned on the external investments that the municipality has made throughout the financial year. The original budget was projected at R3, 829 million that was adjusted downwards to R3, 479 million. The actual revenue earned amounted to R2, 889 million that reflects under performance variance of 24,54% and 16,95% based on original budget and adjusted budget respectively. Interest earned in the 2016/17 financial year is significantly less than that generated in the 2015/16 financial year and this shows a declining and staggering investment management practice.

Transfer recognized - operational

This is revenue realized from both conditional and unconditional operating grants and subsidies including equitable share. The results shows full spending of both conditional and unconditional operational grants. With regards to conditional grants, all grants were spent in line with the conditions of the respective grants.

Other Income

The over performance variance of other revenue is attributed to revenue from traffic fines. This revenue line item had a material increase amounting to R48, 472 million when compared to 2015/16 revenue generated.

Expenditure

Employee related cost

The original budget for employee related cost was R109, 053 million and the budget was adjusted upwards to R112, 496 million and actual expenditure incurred amounted to R117, 781 million. The actual expenditure included an amount of R901 thousand for skills development levy that in terms of budget schedules is classified as general expenses whilst in the annual financial statements is classified as part of employee related cost.

Remuneration of Councillors

Remuneration of councillors relates salaries of Public Office Bearers and the original budget thereof was R18, 908 million that was adjusted downwards to R20, 292 million and the actual expenditure incurred amounted to R20, 298 million. The increase from 2015/16 to 2016/17 financial year expenditure is as a result of implementation of upper limits.

Depreciation and asset impairment

Depreciation and asset impairment relates to system reduction of the value of an asset due to wear and tear. From budget point of view, this line item is treated as non cash item. The original budget thereof was R35, 796 million that was adjusted upwards to R50 million and the actual expenditure was R47, 998 million. The decrease from 2015/16 actual expenditure is as a result of assets that were written.

Finance charges

Finance charges is mainly interest on finance lease and this was informed by the amortisation schedule thereof. The original budget thereof was R60 thousand the schedules were later on revised and this led to upward adjustment of the budget to R2, 760 million that included provision for possible changes in repo rate. The actual expenditure incurred was R1, 426 million that is slightly less than the 2015/16 actuals.

Materials and bulk purchases

The major portion of this line item was mainly for purchase of electricity. The bulk purchase actual expenditure is higher than the 2015/16 financial year expenditure with R5, 369 million and higher than the adjusted budget with R2, 824 million. Other materials mainly relates to materials and supplies relating to both repairs and maintenance and cleaning materials. The actual expenditure thereof is higher than 2015/16 expenditure and both original and adjusted budget.

Transfers and grants – expenditure

Transfers and grants refer to subsidies made to indigent and pensioners consumers, external bursaries awarded to no employees, and medical aid contributions made to pensioners who are former employees of the municipality. The subsidies were done in the form of special rebates on property rates and free basic electricity.

The budget provision still appear to be too little in light of Equitable share allocation that amounted to R210, 385 million since this is the source of funding thereof. The number of registered indigents is still little and hence the underspending of the budget allocated for this subsidy.

Other expenditure

Other expenditure line item includes items such as debt impairment, contracted services, loss on disposal of assets as well as general expenditure. The actual expenditure is double the 2015/16 actuals and this is attributed to debt impairment of traffic fines and contracted services and donation of electrification projects that were implemented in areas are Eskom licensed.

5.2 GRANTS

Description R Thousands	2015/16	Current Year 2016/17			2016/17 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget (%)	Adjusted Budget (%)
RECEIPTS:						
<u>Operating Grants</u>						
National Government:	216, 652	213, 105	213, 105	213, 105	0,00%	0,00%
Equitable share	212, 959	210, 385	210, 385	210, 385	0,00%	0,00%
EPWP incentive	1, 163	1, 095	1, 095	1, 095	0,00%	0,00%
FMG grant	1,600	1,625	1,625	1,625	0,00%	0,00%
MSIG grant	930	0	0	0	0,00%	0,00%
Total Operating Grants	216, 652	213, 105	213, 105	213, 105	0,00%	0,00%

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All operational grants that were gazetted for Elias Motsoaledi local municipality for 2016/17 financial year were received and fully spent. The total amount received on operational grants amounted to R213, 105 million during the 2015/17 financial year. All grants were received from national sphere of government and nothing was gazetted to be received from the provincial government and the district municipality and/or any other source.

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:

No grants were received from other sources.

5.3 ASSET MANAGEMENT

Description	2015/16	Budget Year 2016/17			2016/17 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Original Budget	Adjusted Budget
Asset Management						
Asset Register Summary (WDV)	967,888	892,303	934,595	938,356	-5.2%	-0.4%
Depreciation and Asset Impairment	49,728	35,796	50,000	47,998	-34.1%	4.0%
Renewal of Existing Assets	30,190	52,719	53,938	13,791	73.8%	74.4%
Repairs and Maintenance	9,606	14,715	10,498	12,873	12.5%	-22.6%

COMMENT ON ASSET MANAGEMENT:

The actual asset register value for 2016/17 is R938,356 million and the original budget thereof was R892,303 million that was adjusted upwards to R934,595 million during the adjustments budget. Taking the actual book value as at end of 2015/16 financial year of R967,888 million, the asset register value had decreased and this is attributed to assets that were written off during the financial year.

In addition, capital expenditure amounting to R80,665 million and repairs and maintenance amounting to R12,873 million was incurred during the 2016/17 financial year and this reflects decreased spending on capital budget and increased spending of repairs and maintenance budget when taking the 2015/16 and 2016/17 financial years results in to account.

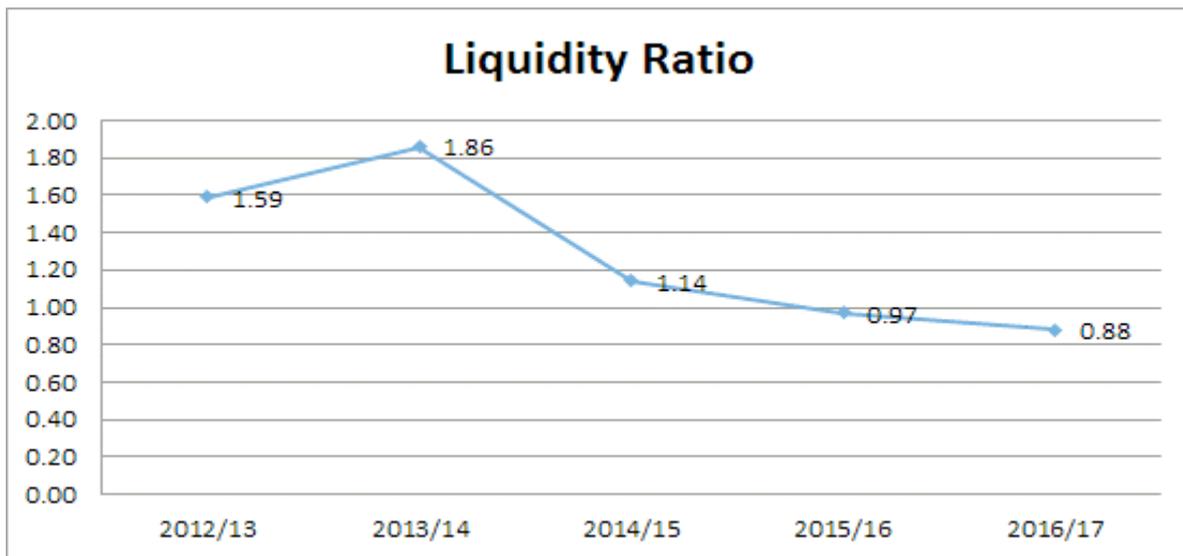
Description	2015/16	Budget Year 2016/17			2016/17 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Budget	Adjusted Budget
Repairs and Maintenance	10,149	14,715	10,498	12,873	12.5%	-22.6%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance budget represent 4,47% of the total original budget and 2,85% of the adjusted budget and in terms of the actual expenditure, the spending represent 2,60% of the total operating expenditure incurred for 2016/17 financial year. A total of R12, 873 million was spent, reflecting an under-spending variance of 12,5% on original budget and over spending variance of 22,6% based on adjusted budget.

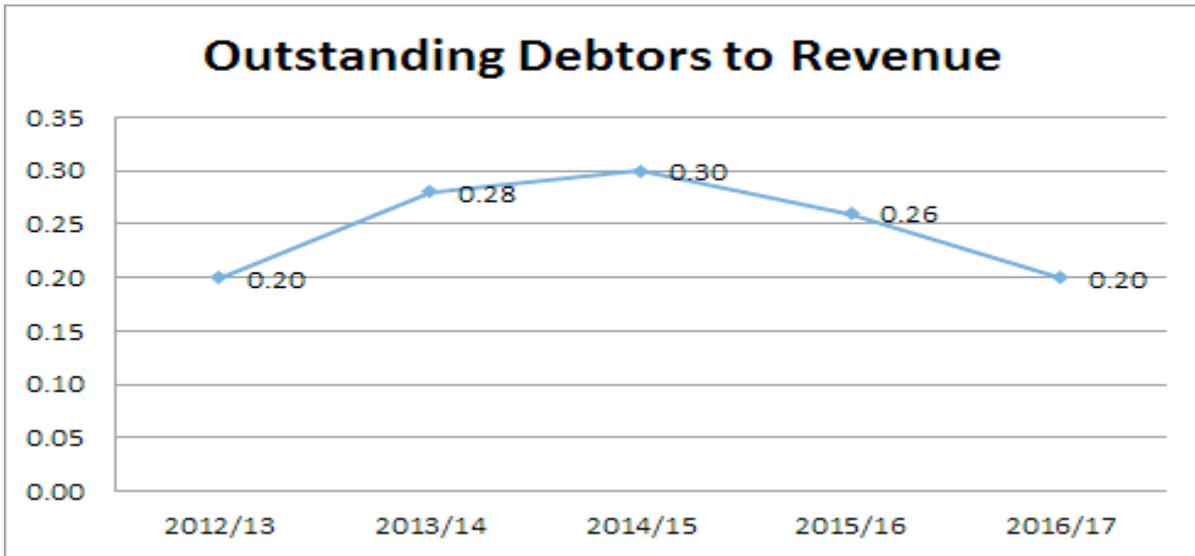
.35.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Graph 1: Liquidity ratio



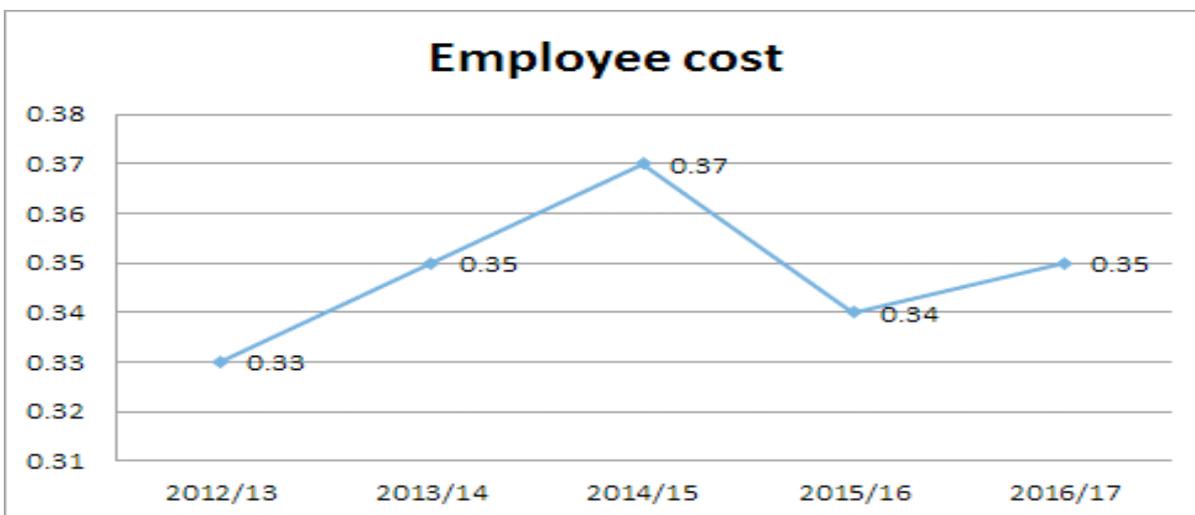
Liquidity Ratio – Measures the municipality’s ability to pay its bills, and is calculated by dividing the monetary assets by the municipality’s current liabilities. A higher ratio is better, however the graph portrays a picture that shows a staggering liquidity ratio for 2015/16 and 2016/17 financial years since the ratio is less than 1. This is attributed to high amount of invoices that were paid at year end using accruals and control accounts that are out of balance.

Graph 2: Outstanding Debtors to revenue



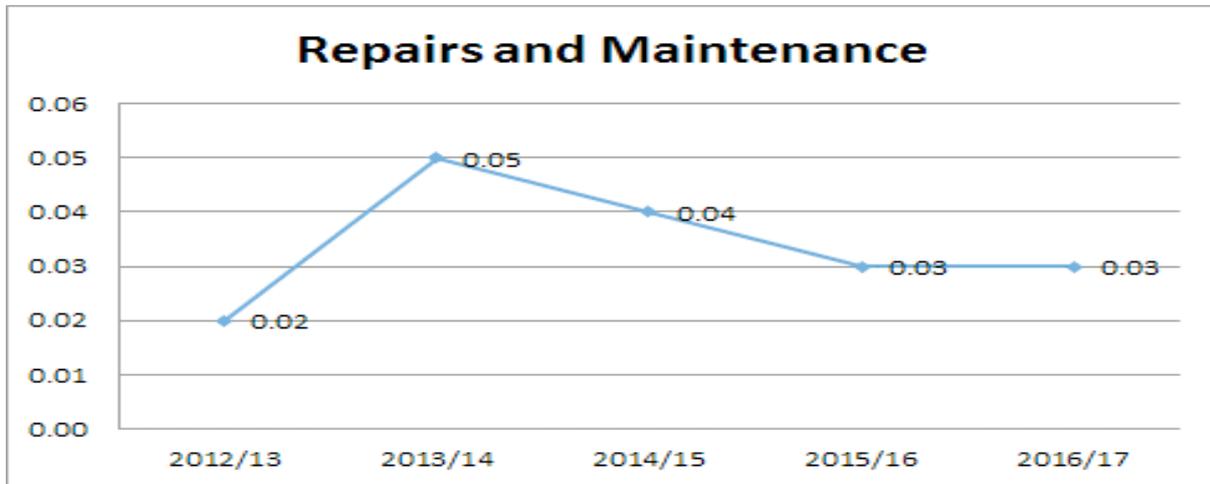
Outstanding Service Debtors to Revenue - Measures how much money is still owed by the community for electricity, waste removal, property rates and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue thereof. A lower score is better. The graph shows that the municipality has a ratio of 0.20 outstanding debtors that has slightly dropped by 0.06 when compared to 2015/16 ratio. The ratio is deemed to be high taking into account the targeted collection rate of 93%

Graph 3: Employee cost



Employee related cost ratio 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

Graph 4: Repairs and maintenance



Repairs and Maintenance - This represent the proportion of operating expenditure spent, and is calculated by dividing the total repairs and maintenance by total revenue excluding capital revenue.

COMMENT ON FINANCIAL RATIOS:

The municipality is still facing a challenge of achieving 8% threshold of operating expenditure for repairs and maintenance. Liquidity ratio is negatively affected by invoices that are paid as part of accruals at year end since the magnitude thereof was relatively high in 2016/17 financial year as those invoices are treated as current liabilities. The municipality is in a process of implementing cost containment measures as documented in the National Treasury Instruction letter number 03 and this will result in improved liquidity ratio and in addition, it will do away with unnecessary expenditure items.

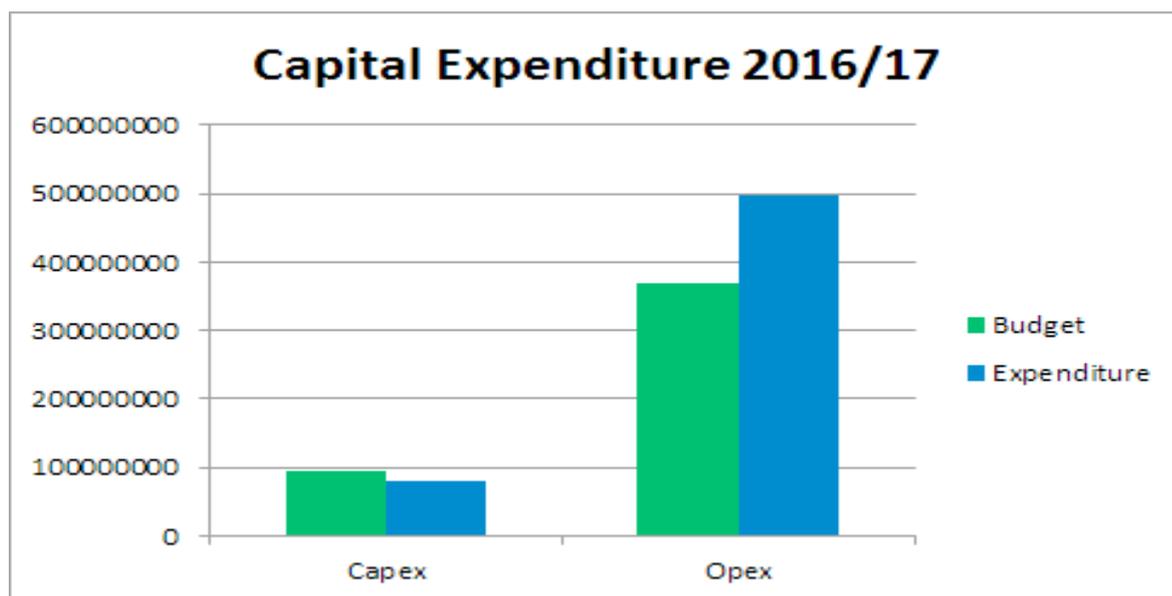
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to projects and/or items whose outputs will result in assets that will have to be documented in the asset register. 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

Graph 5: CAPITAL EXPENDITURE 2016/17



5.6 SOURCES OF FINANCE

Description	2015/16	Budget Year 2016/17			2016/17 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Original Budget	Adjusted Budget
Funded by:						
National Government	77,188	75,419	74,398	68,895	8.7%	7.4%
Provincial Government	–	–	–	–	0.0%	0.0%
District Municipality	–	–	–	–	0.0%	0.0%
Other transfers and grants	–	–	–	–	0.0%	0.0%
Transfers recognised - capital	77,188	75,419	74,398	68,895	8.7%	7.4%
Public contributions & donations	–	–	–	–	0.0%	0.0%
Borrowing	–	–	–	–	0.0%	0.0%
Internally generated funds	31,200	19,030	21,380	11,770	38.2%	44.9%
Total Capital Funding	108,388	94,449	95,778	80,665	14.6%	15.8%
Capital Expenditure						
Roads, pavement and bridges	79,074	62,462	68,961	61,001	2.3%	11.5%
Electricity	17,089	13,000	11,404	11,214	13.7%	1.7%
ICT Equipment	623	350	1,550	1,168	-233.7%	24.7%
Office Furniture	484	300	400	340	-13.5%	14.9%
Machinery and Equipment	1,234	600	600	603	-0.6%	-0.6%
Sports and Recreation	–	10,000	8,772	1,931	80.7%	78.0%
Other	9,884	7,737	4,092	4,407	43.0%	-7.7%
Total	108,388	94,449	95,778	80,665	14.6%	15.8%
Percentage						
Roads, pavement and bridges	73.0%	66.1%	72.0%	75.6%		
Electricity	15.8%	13.8%	11.9%	13.9%		
ICT Equipment	0.6%	0.4%	1.6%	1.4%		
Office Furniture	0.4%	0.3%	0.4%	0.4%		
Machinery and Equipment	1.1%	0.6%	0.6%	0.7%		
Sports and Recreation	0.0%	10.6%	9.2%	2.4%		
Other	9.1%	8.2%	4.3%	5.5%		

COMMENT ON SOURCES OF FUNDING:

The total approved original budget was R94, 449 million that was adjusted downwards to R87, 620 million during the main adjustment budget and this was later on adjusted upwards in the special adjustment budget to R95, 778 million.

Funding of capital budget:

Original budget amounted to R94, 449 million and R75, 419 million was funded by grants and R19, 030 million was funded internally.

Adjusted budget amounted to R95, 778 million and R74, 398 million was funded by grants and R21, 380 million was funded internally.

Actual expenditure amounted to 80, 665 million and R68, 895 million was funded by grants and R11, 770 million was funded internally.

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 – Mogaung Construction of Roads	5,000	15,000	7,951	15,81%	20,31%
B – Construction of Klip and Kanaal Street	1,500	14,833	13,253	-3,80%	60,20%
C - Phucukane Construction of Access Road	5,485	12,000	10,423	-8,77%	55,65%
D – Upgrading of Hlogotlou Stadium	10,000	10,682	1,693	8,46%	13,26%
E – Construction of Marapong Bridge	3,800	9,500	7,567	8,44%-	8,44%
*Project with the highest capital expenditure in 2016/17					
Name of Project - A	Mogaung Construction of Roads				
Objective of project	To improve municipal roads' infrastructure for socio-economic growth				
Delays	None				
Future challenges	None				
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure				
Name of Project - B	Construction of Klip and Kanaal Street				
Objective of project	To improve municipal roads' infrastructure for socio-economic growth				
Delays	None				
Future challenges	None				
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure				
Name of Project - C	Phucukane Construction of Access Road				
Objective of project	To improve municipal roads' infrastructure for socio-economic growth				
Delays	None				
Future challenges	None				
Anticipated citizen benefits	Job creation, skills transferred and improved town development				
Name of Project - D	Upgrading of Hlogotlou Stadium				
Objective of project	To improve access to sports facilities for socio-economic growth				

Delays	The project was initially planned to be implemented by SRSA and the process of appointing the contractor was also done by the department which delayed the appointment
Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure
Name of Project - E	
Construction of Marapong Bridge	
Objective of project	To improve municipal roads' infrastructure for socio-economic growth
Delays	None
Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure

COMMENT ON CAPITAL PROJECTS:

The total approved original budget was R94, 449 million that was adjusted downwards to R87, 620 million during the main adjustment budget and this was later on adjusted upwards in the special adjustment budget to R95, 778 million. The special budget was informed by addition allocation that was received for Municipal Infrastructure Grant that amounted to R20 million. Of the total adjusted budget, at least R80, 665 million was spent and this gave rise to underspending variance amounting to R15, 113 million that has contributed towards the roll over amount.

The capital budget was made up mainly of roads, pavement and bridges projects; electrification projects; sports project; and operational equipment. The budget was funded by Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme Grant (INEP), and internally generated funds.

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 2017				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Electricity	57 814	96%	2 350	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 the municipality to deal with the backlog.

With the leased yellow fleet, the municipality has been gravelling the internal roads for accessibility to reduce the backlog. The machinery is stationed at satellite offices and there is a register for the rotation of those machinery to different wards. There has been an improvement on accessibility of internal roads.

Municipal Infrastructure Grant (MIG)* Expenditure 2016/17 on Service backlogs						
R' 000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Original Budget	Adjustment Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	R52, 419	R62, 419	R54, 189	-4%	12%	
<i>Storm water</i>	R0	R0	R0	0%	0%	
Infrastructure - Electricity						
<i>Generation</i>	R0	R0	R0	0%	0%	
<i>Street Lighting</i>	R0	R0	R0	0%	0%	
Infrastructure - Other						
<i>Transportation</i>	R0	R0	R0	0%	0%	
<i>Gas</i>	R0	R0	R0	0%	0%	
Other Specify:						
Sports	R10, 000	R10, 000	R1, 931	81%	81%	
Street Parking	R0	R0	0%	0%	0%	
Waste Management	R0	R0	0%	0%	0%	
Total	R62, 419	R72, 419	R56, 120	10%	23%	

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow outcome presents the actual revenue and actual payments made during the year under review. Actual revenue realized should be differentiated from revenue billed because revenue billed does not portray the holistic financial position and performance of the municipality.

As a result, the cash flow outcome is presented on cash basis as opposed accrual basis of accounting. Cash and cash equivalent of the municipality is made up of cash in the primary and all the short term investment

Description	2015/16	Budget Year 2016/17		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	8,908	22,302	17,579	20,966
Service charges	59,267	74,803	70,069	69,070
Other revenue	8,835	8,463	13,403	10,066
Government - operating	216,652	213,105	213,105	214,632
Government - capital	77,188	75,419	85,419	83,703
Interest	10,163	5,666	4,136	10,410
Dividends	-	-	-	-
Payments				
Suppliers and employees	(355,769)	(278,243)	(309,616)	(308,578)
Finance charges	(2,141)	(60)	(2,341)	(1,426)
Transfers and Grants	(313)	(2,128)	(2,248)	(521)
NET CASH FROM/(USED) OPERATING ACTIVITIES	22,790	119,326	89,505	98,321
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	654	5,000	-	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	(529)
Decrease (increase) in non-current investments	77,167	-	-	-
Payments				
Capital assets	(108,388)	(94,449)	(67,620)	(80,665)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(30,567)	(89,449)	(67,620)	(81,193)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	(412)	500	(17)	21
Payments				
Repayment of borrowing	(5,003)	(9,357)	(8,170)	(8,170)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,415)	(8,857)	(8,187)	(8,149)
NET INCREASE/ (DECREASE) IN CASH HELD	(13,192)	21,020	13,698	8,979
Cash/cash equivalents at beginning:	25,158	6,238	11,965	11,965
Cash/cash equivalents at month/year end:	11,965	27,259	25,664	20,944

COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalent at the beginning of the financial year was R11, 965 million and when comparing this to the cash and cash equivalent as at end of 2016/17 financial year amounting to R20, 944 million, the results reflects an increase in cash and cash equivalent of R8, 979 million. Cognizance should be taken that the municipality is still dependent on grants since a major portion of revenue realized is made up of Transfer recognized (both operating and capital).

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Actual Borrowings 2014/15 - 2016/17			
R'000			
Instrument	2014/15	2015/16	2016/17
Municipality			
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	22,341	15,069	6,899
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	22,341	15,069	6,899
	n/a	n/a	n/a
Municipal Entities			
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 2014/15 - 2016/17			
R'000			
Investment type	2014/15 Actual	2015/16 Actual	2016/17 Actual
<u>Municipality</u>			
Securities - national government	-	-	-
Listed corporate bonds	-	-	-
Deposits -bank	23,764	6,899	15,657
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	-	-	-
<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:	23, 764	6, 899	15, 657

COMMENT ON BORROWING AND INVESTMENTS:

The municipality had a borrowing in the form of finance lease for heavy machinery and equipment amounting to R6, 899 million as at end of 2016/17 financial year. In addition, the closing balance on Investments was R15, 657 million that is materially higher than R6, 899 million for 2015/16 financial year.

5.11 PUBLIC-PRIVATE PARTNERSHIPS

PUBLIC-PRIVATE PARTNERSHIPS

Not applicable

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management

Section 217 of the Constitution of the The SCM policy has recently been reviewed and approved by Council to ensure that controls are tightened to combat fraud and corruption in procurement processes.

Supply Chain Management Unit

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

Bid Committees

Regulation 26 of the Municipal Supply Chain Management Regulations stipulates that a municipality's Supply Chain Management system must provide for a committee system for competitive bids consisting of at least a bid specification, bid evaluation and bid adjudication committee.

The Municipality has established the following committees:-

- Bid Specification Committee;
- Bid Evaluation Committee and
- Bid Adjudication Committee.

Each Committee consists of a practitioner from Supply Chain Management and officials from key Directorates in the Municipality. The Accounting Officer is responsible for the appointment of bid committee members and committee members are appointed as and when the Accounting Officer deems it necessary and reviewed accordingly by the Accounting Officer. Although the chain of work of these Committees is intertwined, they operate separately from each other. All members of the Committees sign an Oath of Secrecy and Declaration of Interest to ensure that the bidding system is fair, transparency, openness and equitable.

5.14 Service provider's performance

Project Name	2016/2017 budget	Challenges (any signs of poor performance)	Mitigations (any warning given to the service provider)	
Printing and Publication	R 1,000,000	None	None	
Printing and Publication	R 1,000,000	None	None	
Asset Management	Funded by Treasury	None	None	
Debt Collection	R 869, 0000	None	None	
Compilation of the valuation and supplementary valuation rolls	R 353,000	None	None	
Printing and delivery of customer statements	R 183,000	None	None	
Compilation of financial reports	R 1,186,000	None	None	
Financial Management System	R 1,000 000	None	None	
Cash Collection Services	R 72,000	None	None	
Township Establishment at Groblersdal Game Farm	R200 000	None	n/a	
Groblersdal township establishment (industrial site)	R 700 000	none	None	
Site demarcation	R1000 1000	None	None	
Land audit	R 500 000	None	None	
Ingwe/Sinobheki	6 999 948.00	None	None	
Provision of community based solid waste management	R5000 000	none	none	
Performance Management	565 000.00	None	None	
Legal Services	Liability	None	None	
		None	None	
		Legal fees too exorbitant and there is no value for money.	Invoices submitted to Law Society Fee Assessment Committee	
Telephones System	R6000.00	None	None	
Website Maintenance	R500 000	None	None	
Vsats Connecting Satellite Offices	R790.000	None	None	
Internet Service Provider	Per rates	None	None	

	Name of Consultant / Contractor	Assessment Rating or comments	Construction Tender Awarded to
	Baupa Printing and Publication	3	Baupa Printing and Publication
	Vision Print	3	Vision Print
	Market Demand	3	Not applicable
	Khumalo Masondo Attorneys	3	Not applicable
	Uniqueco Properties (Pty) Ltd	3	Not applicable
	Cab Holdings	3	Not applicable
	Munsoft (Pty)Ltd	3	Not applicable
	Munsoft (Pty)Ltd	3	Not applicable
	G4S	3	Not applicable
	YB Mashalaba and Associates	3	n/a
	Mok development consultant	3	n/a
	Nhlatse development consultant	3	n/a
	Black dot property consultant	3	n/a
	Phetolo Mogale	2	n/a
	Selema plant hire construction/ Mashumi construction supply and projects	3	n/a
	Institute for performance management	3	n/a
	Khumalo Masondo Attorneys	3	n/a
	Makhabela Attorneys		n/a
	Kgatla Inc	3	n/a
	Mhofu Telecommunications	3	n/a
	SITA	3	n/a
	Telkom	2	n/a
	Data Pro	3	n/a

Project Name	2016/2017 budget	Challenges (any signs of poor performance)	Mitigations (any warning given to the service provider)	
Supplying ICT hardware devices	R500.000	None	None	
Maintenance and servicing of Bulk Printing Machines	Per rates	None	None	
Monsterlus to Makgopheng Road PH1G	R 5 000 000.00	None	None	
		None	None	
Mpheleng Construction of Bus Route PH1C	R 5 000 000	None	None	
		None	None	
Upgrading of Kgaphamadi Bus Route PH1BU	R 5 000 000.00	None	None	
		None	None	
Kgoshi Rammupudu Construction of Access Road PH1C	R 5 000 000.00	None	None	
		None	None	
Kgoshi Matlala Construction of Access Road PH1B	R 5 000 000	None	None	
		None	None	
Kgoshi Matsepe Construction of Access Road PH1A	R 3 800 000	None	None	
		None	None	
Kgoshi Mathebe Construction of Access Road PH1A	R 3 800 000	None	None	
		None	None	
Mathula Construction of Bus Road PH1B	R 4 528 418	None	None	
		None	None	
Mogaung Construction of Access Road PH1B	R 5 000 000	None	n/a	
		None	n/a	
Laersdrift Bus Road PH1A	R 5 000 000.00	None	None	
		None	None	

Name of Consultant / Contractor	Assessment Rating or comments	Construction Tender Awarded to
Moagi Technologies	2	n/a
Canons	2	n/a
Monde Consulting Engineers	3	Betsekgadi Construction
Betsekgadi Construction	2	
Munei Consulting	3	Moleleki A Tlala Transport and Projects
Moleleki A Tlala Transport and Projects	3	
Sky High Consulting	2	Maswekameng Traders
Maswekameng Traders	2	
Tlou Intergrated Tech	3	Shatadi Developers
Shatadi Developers	3	
Tlou Intergrated Tech	3	Shirido Trading
Shirido Trading	3	
Tlou Integrated Tech	3	Patrick Makgoka
Patrick Makgoka	3	
Tlou Integrated Tech	2	Cansnan Civils
Casnan Civils	1	
JMV Orthosmart	2	big Rock / Kgwadi ya Madiba JV
Big Rock / Kgwadi ya Madiba JV	3	
MTP Consulting Engineers	2	Patrick Makgoka Construction
Patrick Makgoka Construction	3	
Dikgabo Consulting Engineers	1	HM Eyethu / AL Mphago
HM Eyethu / AL Mphago	1	

Project Name	2016/2017 budget	Challenges (any signs of poor performance)	Mitigations (any warning given to the service provider)	
Construction of Marapong Bridge	R 9 500 000.00	None	None	
		None	None	
Construction of Klip and Kanaal Street PH1	R15 000 000.00	None	None	
		None	None	
Zaaiplaas Construction of JJ Roads PH1D	5 000 000.00	None	None	
		None	None	
Upgrading of Hlogotlou / Monsterlus Stadium	R 10 000 000.00	Late appointment of contractor/late	Contractor appointed in mid May 2017	
	R 2 000 000.00			
Roosenekal Roads and Streets		None	None	
		None	None	
Construction of Fleet Centre	R 1 000 000.0	None	None	
Rating description				
Poor Performance	1			
Fair Performance	2			
Good Performance	3			
Excellent Performance	4			
Outstanding Performance	5			

Name of Consultant / Contractor	Assessment Rating or comments	Construction Tender Awarded to
Sky High Consulting / Low Flow JV	2	Shonisani Rambau Construction
Shonisani Rambau Construction	2	
Tumber Fourie	4	Big Rock/ Kgwadi ya Madiba JV
Big Rock/ Kgwadi ya Madiba JV	4	
Onboard Consulting Engineers	2	Imbawula Construction
Imbawula Trading	2	
Vuka Afrika Consulting	2	Moepeng Trading
Moepeng Trading	X	
Element Consulting	2	HM Eyethu / AL Mphago JV
HM Eyethu / AL Mphago JV	2	
Dikgabo Consulting	2	Shatadi Developers

A close-up photograph of a calculator on a desk, with a green overlay on the left side. The calculator is white with black buttons. The green overlay is a vertical bar that is wider at the top and tapers towards the bottom. The number '06' is prominently displayed in a white circle at the top of the green bar, with 'CHAPTER 6' written below it. At the bottom of the green bar, the text 'AUDITOR-GENERAL' and 'AUDIT FINDINGS' is written in white, stacked vertically.

06

CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS



AUDITOR-GENERAL
SOUTH AFRICA

The accounting officer
Elias Motsoaledi Local Municipality
PO Box 48
Groblersdal
0470

30 November 2017

Reference: 02734REG16-17

Dear Madam

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Elias Motsoaledi Local Municipality for the year ended 30 June 2017

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA).
2. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
3. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Auditing to build public confidence

Auditor-General of South Africa
www.agsa.co.za

Yours sincerely



Rabelani Muligwe
Senior manager: Limpopo

Enquiries: Pierre de Ru
Telephone: (015) 283 9300
Fax: (015) 283 9400

Auditor's report

Elias Motsoaledi Local Municipality

30 June 2017

Report of the auditor-general to the Limpopo provincial legislature and the council of Elias Motsoaledi Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Elias Motsoaledi Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Elias Motsoaledi Local Municipality as at 30 June 2017, 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 Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for qualified opinion

Property rates

3. The municipality did not accrue for revenue on all properties in the municipality's jurisdiction. I identified properties indicated as unknown in the underlying accounting records for which the municipality did not fully assess the ownership. I was unable to determine the full extent of the understatement of revenue from property rates stated at R25 814 661 (2015-16: R28 280 202), receivables from non-exchange stated at R19 547 729 (2015-16: R3 990 888) and related disclosures in the annual financial statements as it was impracticable to do so. Additionally, there is a resultant impact on the accumulated surplus and I was unable to determine the effect of the unknown properties on property plant and equipment and/ or investment property.

VAT Receivable

4. The municipality did not review and clear VAT control accounts timeously with SARS assessments, interests and penalties, refunds and journals in accordance with GRAP 1, *Presentation of financial statements*. In addition the municipality did not maintain adequate records of these reconciling items. I could not confirm the balance by alternate means. I was unable to determine whether any adjustments to the VAT Receivable stated at R21 742 970 (2015-16: R11 514 853) in the financial statements were necessary.

Payables from exchanged transaction

5. I was unable to obtain sufficient appropriate audit evidence for payables from exchanged transaction due to the poor status of the accounting records. I was unable to confirm the

payables from exchanged transaction by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to payables from exchanged transaction stated at R65 095 088 in the financial statements.

Lease rentals on operating lease

6. I was unable to obtain sufficient appropriate audit evidence that lease rentals on operating leases for the current period has been correctly classified in terms of GRAP 13 *Leases*. As described in note 36 to the financial statements, the leases could not be substantiated by supporting audit evidence. I was unable to confirm the classification of leases by alternative means. Consequently, I was unable to determine whether any adjustment to lease rentals on operating leases stated at R7 630 970 in the financial statements was necessary.

Receivables from exchange transactions

7. I was unable to obtain sufficient appropriate audit evidence for recognition of receivables relating to the recovery of the fruitless and wasteful expenditure identified in the prior year, as the municipality did not have adequate systems in place to determine the recoverable amount. I was unable to confirm the receivable by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the receivables from exchange transactions stated at R712 382 (2015-16: R1 516 501) in note 10 to the financial statements were necessary. There is a resultant impact on the surplus for the year.

Irregular expenditure

8. The municipality made payments in contravention of the supply chain management requirements, resulting in irregular expenditure of R48 171 383 (2015-16: R64 948 315). As the municipality did not implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective, I was unable to determine the full extent of the understatement by alternative means. Consequently, I was unable to determine whether any further adjustments relating to irregular expenditure disclosed at R199 674 649 (2015-16: R135 139 646) disclosed in note 47 to the financial statements, were necessary.

Context for the opinion

9. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
10. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

13. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2017 in the financial statements of the municipality at, and for the year ended, 30 June 2016.

Material loss– consumer debtors

14. As disclosed in note 33 to the financial statements, material losses to the amount of R43 751 209 were incurred as a result of a write-off of irrecoverable consumer debtors.

Investment property fair value adjustment

15. As disclosed in note 3 to the financial statements, a fair value loss to the amount of R40 411 043 was incurred, as a result of an adjustment to the municipality's investment properties.

Unauthorised expenditure

16. As disclosed in note 45 to the financial statements, unauthorised expenditure to the amount of R80 123 905 was incurred, as the total amount appropriated in the municipality's approved budget has been overspent.

Other matters

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer

19. The accounting officer is responsible for the preparation and fair presentation of the 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 of South Africa, 2016 (Act No. 3 of 2016) (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.
20. In preparing the financial statements, the accounting officer is responsible for assessing the Elias Motsoaledi Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

21. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
22. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

23. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
24. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
25. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the Municipality for the year ended 30 June 2017:

Objectives	Pages in the annual performance report
Basic service delivery and infrastructure development	29, 30 and 35
Spatial development analysis and rationale	29 – 34
Local Economic Development	30- 31 and 49

26. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

27. The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

Basic service delivery and infrastructure development

Percentage of (indigents) households with access to free basic electricity services by 30 June 2017 (GKPI)

28. The planned achievement for 2.5% of Percentage of (indigents) households with access to free basic electricity was misstated as the evidence provided indicated 19.37% and not 17% as reported.

Speed calming measures via speed camera law enforcement.

29. The planned achievement of 40 speed calming measures via speed camera law enforcement was misstated as the evidence provided indicated 481 and not 456 as reported.

Percentage of households with access to basic levels of electricity by 30 June 2017

30. I was unable to obtain sufficient appropriate audit evidence for the planned achievement of 100% provision of access to basic level of electricity. This was due to non-submission of the portfolio of evidence. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 99%.

Percentage of INEP funding by 30 June 2017

31. The planned achievement for 100% of Percentage of INEP funding was misstated as the evidence provided indicated 190% and not 99% as reported

Percentage of new capital projects completed for EMLM funded projects

32. The planned achievement for 100% of new capital projects completed for EMLM funded projects was misstated as the evidence provided indicated 95% and not 90% as reported.

Percentage capital budget spend in terms of new IDP identified projects by 30 June 2017

33. The planned achievement for 100% of Percentage capital budget spend in terms of new IDP identified projects by 30 June 2017 was misstated as the evidence provided indicated 92% and not 73% as reported

Percentage of households with access to a minimum level of basic waste removal by 30 June 2017 (Once per week) (GKPI)

34. The planned achievement for 20% of Percentage of (indigents) households with access to free basic electricity was misstated as the evidence provided indicated 9% and not 16.5% as reported.

Percentage of new Capital projects started on time in terms of the appointment of consultants/ contractors for EMLM funded projects as per the Capital implementation plan

35. I was unable to obtain sufficient appropriate audit evidence for the planned achievement of 100% new Capital projects started on time in terms of the appointment of consultants/ contractors for EMLM funded projects as per the Capital implementation plan. This was due to zero weighting (not reporting) the indicator. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 0%.

Number of law enforcement operations at hotspots

36. I was unable to obtain sufficient appropriate audit evidence for the planned achievement of 192 number of law enforcement operations at hotspots. This was due to zero weighting (not reporting) the indicator. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 0%.

Installation of license plate recognition cameras to monitor offenders

37. I was unable to obtain sufficient appropriate audit evidence for the planned achievement of 8 installation of license plate recognition cameras to monitor offenders. This was due to zero weighting (not reporting) the indicator. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 0%

Spatial development analysis and rationale**Percentage of inspections conducted on building construction**

38. The planned achievement for 100% of Percentage of inspections conducted on building construction was misstated as the evidence provided indicated 96% and not 100% as reported.

39. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 100% of inspections conducted on building construction. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 100%.

Local economic development

40. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Local economic development

Achievement of planned targets

41. Refer to the annual performance report on pages 29 to 114 for information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 33 to 45 of this report.

Report on audit of compliance with legislation**Introduction and scope**

42. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

43. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

44. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirement of section 122 of the MFMA. Material misstatements of non-current assets, current assets, revenue, payables, provisions, receivables, VAT receivables, cash and cash equivalents, operating lease, cashflow statement, statement of changes in net assets and disclosure items identified by auditors in the submitted financial statements are not yet corrected resulted in the financial statements receiving a qualified audit opinion.
45. The oversight report adopted by the council on the 2015-16 annual report was not made public, as required by section 129(3) of the MFMA.

Expenditure management

46. Effective steps were not taken to prevent unauthorised as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
47. Effective steps were not taken to prevent irregular expenditure amounting to R64 535 003, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by the evaluation and adjudication criteria applied in evaluating and adjudicating bids, the bid adjudication committee decided to award the bids to someone other than the one recommended by the bid evaluation committee and awards being made to suppliers not receiving the highest points without objectionable and reasonable basis for the deviation.

Liability management

48. The Municipality incurred debt that was denominated in a currency other than the Rand and was affected by fluctuations in the value of the Rand against foreign currencies, in contravention of section 47(a) of the MFMA.

Revenue Management

49. An adequate management, accounting and information system which accounts for revenue and receipts of revenue was not in place, as required by section 64(2)(e) of the MFMA.
50. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Procurement and contract management

51. Some of the goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
52. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
53. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Similar non-compliance was also reported in the prior year.
54. Bid specifications for some of the tenders were drafted in a biased manner and did not allow all potential suppliers to offer their goods or services, in contravention of SCM regulation 27(2)(a).

Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the EMLM 20/2016 - Provision of short term insurance & risk services.

55. Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the EMLM 02/2014/PH1D - Kgoshi Rammupudu construction of access road and storm water control and EMLM 13/2015/MSF - The upgrading of Monsterlus stadium.
56. Some of the contracts were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b). This non-compliance was identified in the procurement processes for the EMLM 04/2015 P2 - Construction of Kanaal and Klip street & storm water, EMLM 02/2014/PH1D - Kgoshi Rammupudu construction of access road and storm water control and EMLM 13/2015/MSF - The upgrading of Monsterlus stadium.
57. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the EMLM 04/2015 P2 - Construction of Kanaal and Klip street & storm water, EMLM 02/2014/PH1D - Kgoshi Rammupudu construction of access road and storm water control and EMLM 13/2015/MSF - The upgrading of Monsterlus stadium.
58. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement Regulation 9(1). This non-compliance was identified in the procurement processes for the procurement of protective clothing.
59. Commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by Preferential Procurement Regulation 9(1). This non-compliance was identified in the procurement processes for the procurement of protective clothing.
60. Awards were made to providers who were in the service of the municipality, in contravention of section 112(j) of the MFMA and SCM regulation 44. Furthermore, the provider failed to declare that he/ she was in the service of the municipality, as required by SCM regulation 13(c). Similar non-compliance was reported in the previous year and the municipality did not take disciplinary action against the suppliers/ officials involved.
61. Awards were made to providers who were in the service of other state institutions or whose directors/ principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).
62. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.
63. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in

contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

Fraud and consequence management

64. Losses resulting from unauthorised expenditure were not recovered from the liable person, as required by section 32(2)(a) of the MFMA.

Other information

65. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in the auditor's report.
66. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
67. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
68. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

Internal control deficiencies

69. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report

Leadership

70. Oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not exercised.
71. Review and monitoring of the financial and performance reporting by the accounting officer was inadequate. This resulted in the annual financial statements and the annual performance report containing material misstatements.

72. The action plan developed by the municipality did not address internal and external audit findings to ensure that root causes for audit findings are resolved.
73. Instances of unauthorised, irregular and fruitless and wasteful expenditure were not investigated and effective and appropriate disciplinary steps were not taken against officials who made and/ or permitted this expenditure.

Financial and performance management

74. Regular and accurate financial and performance reporting for the prevention and detection of misstatements to the financial statements does not take place.
75. There was a lack of adequate controls over compliance monitoring and information technology systems that is affecting program change, user account service continuity and backups.
76. Controls over daily and monthly processing and reconciling of transactions were not adequately monitored by the accounting officer.
77. The municipality did not have a proper system of record management and an approved record classification system that provides for the maintenance of information that supports the financial statements and reported performance contained in the annual performance report. This includes information that relates to the collection, collation, verification, storing and reporting of actual performance information.
78. The accounting officer did not adequately review and monitor compliance with laws and regulations resulting in numerous non-compliance findings.

Governance

79. Those charged with governance did not provide adequate oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

Auditor General
Polokwane

30 November 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 municipality’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Elias Motsoaledi Local Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

STATEMENT ON ENT B: AUDITOR GENERAL'S OPINION 2016/2017

6.2 Auditor General's report 2016/2017

Auditor-General's Report on Financial Performance 2016/2017	
Audit Report Status*:	Qualified Opinion
Non-Compliance Issues	Remedial Action Taken
As stipulated in the AGSA report	Audit action plan developed

Auditor-General's Report on Service Delivery Performance 2016/2017	
Audit Report Status:	Qualified Opinion
Non-Compliance Issues	Remedial Action Taken
As cited in the AGSA report	Audit action plan in place

6.3 MUNICIPAL MANAGER AND CHIEF FINANCIAL OFFICER'S COMMENTS.

AUDITORS REPORT 2016/2017 OF THE AUDITOR GENERAL TO THE ELIAS MOTSOALEDI LOCAL MUNICIPALITY

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 2017 of the municipality was submitted to the Auditor General on the 31 August 2017.

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."

The Audit report for 2016-2017 was submitted to the Accounting Officer on the 30 November 2017.

The Financial Statements as on 30 June 2017 of the municipality was submitted within two months of the financial year end to the Auditor General on the 31 August 2017.

Council takes note of the Audited Annual Financial Statements 30 June 2017.

The municipality has received a Qualified Audit Opinion for the financial year ended 30 June 2017.

Council take note of the contents in the Auditor General Report, Audit Action Plan developed to address issues raised by the AGSA and the Audited Financial Statements

6.4 AUDIT COMMITTEE COMMENT

The audit committee of the municipality has considered the Auditor General of South Africa (AGSA) report at a special meeting held with AGSA on 24 November 2017. The report shows an increase in matters that caused the basis for the qualified opinion from four (04) to six (06). The Audit Committee expressed concern that the municipality seems to be regressing and urged management to ensure that the action plan to improve the audit opinion is developed and efficiently implemented. The emphasis was made that management should not only focus on addressing audit report issues, however should give attention to issues in the management report that may cause problems in upcoming audits if not attended to. The audit committee indicated at the ordinary meeting held on the 26 January 2018 when reviewing the draft action plan that it would like the action plan to be part of all audit committee meetings for monitoring progress on implementation. The Municipality does have a chance to obtain an unqualified audit opinion through dedicated attention to addressing root causes of all findings raised by the AGSA.

06

CHAPTER 6

Cont

AUDIT ACTION PLAN



	FINANCIAL YEAR		2016/17			
	Municipality Name		Elias Motsoaledi Local Municipality			
	Audit Opinion		Qualified			
	Reporting Period					
	Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	
1	Revenue	Matters affecting the auditor's report	The municipality did not accrue revenue on all properties in the municipality's jurisdiction	Recurring	Delay in realtime update of deeds office information	
2	Receivables	Matters affecting the auditor's report	The municipality did not review and clear VAT control accounts timeously with SARS assessments, interests and penalties, refunds and journals in accordance with GRAP 1.	New	VAT postings were not standard and consistent	
3	Liabilities	Matters affecting the auditor's report	Inability to obtain sufficient appropriate audit evidence for payables from exchanged transactions due to the poor status of accounting records.	New	Inability of the MSCOA charts to provide break-down of the rolled forward accounts	
4	Payments	Matters affecting the auditor's report	Inability to obtain sufficient appropriate audit evidence that lease rentals on operating leases has been correctly classified in terms of Grap 13	New	Lack of properly maintained lease register	

Action Plan Description	Start Date	Completion Date	Position	Progress	Probability	Narrative to Progress
Identified all unknown properties on the valuation roll and obtain deeds search results on the ownership of those properties.	22-Jan-18	30-Jun-18	Manager Revenue			
Perform door to door visits on the properties that deeds search results does not assist in identifying the rightful owner of the specific property.						
Consider the use of property valuation consultants in expediting the process for the door to door visits and identification of owners.						
Perform monthly reconciliations and postings of VAT account using the SARS statements and accounting journals that have VAT implications and signed off by the CFO	22-Jan-18	30-Jun-18	Manager Expenditure			
Perform reconciliation of payables control accounts and clear unreconciled accounts through writte offs were necessary.						
Request the system vendor to assist in cleansing of the control accounts that were not correctly posted in system financial system upgrading process.	22-Jan-18	30-Jun-18	Manager Expenditure			
Prepare a lease register that is updated monthly with changes on lease information and supported by the lease contracts.						
Maintain an up to date lease register that is reviewed and signed off by the CFO on monthly basis.	22-Jan-18	30-Jun-18	Manager Expenditure			

	Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	
5	Receivables	Matters affecting the auditor's report	Inability to obtain sufficient appropriate audit evidence for recognition of receivables relating to the recovery of the fruitless and wasteful expenditure identified in the prior year.	Recurring	Lack of proper supporting documentations	
6	Procurement	Matters affecting the auditor's report	Payments made in contravention of the supply chain management requirements	Recurring	Lack of properly maintained register of irregular expenditure	

	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability	Narrative to Progress
	Ensure that the calculations of recoverable amount from debt collector is supported by invoices with relevant payment files.	22-Jan-18	30-Jun-18	Manager Expenditure			
	Compile and approve payment agreement with the service provider reflecting the amount payable to the municipality.						
	Compile and ensure completeness of the irregular expenditure for the financial year ending June 2017. Consider the use of professional internal auditors in ensuring completeness of irregular expenditures to be disclosed.	22-Jan-18	30-Jun-18	Manager Expenditure			
	Ensure that the total as determined on the register above is correctly disclosed in the annual financial statements for the period ending 30 June 2018 in line with Section 32 of MFMA.						

FINANCIAL YEAR		2016/17			
Municipality Name		Elias Motsoaledi Local Municipality			
Audit Opinion		Qualified			
Reporting Period					
	Audit Findings	Category of Finding	Description of Finding	Finding status	
1	Predetermined Objectives	Matters affecting the auditor's report	The adjustment budget was approved on 28 February 2017 and only placed on the website on 10 April 2017. Furthermore, we noted that the supporting documentation and the related resolutions have not been placed on the website.	New	
2	Predetermined Objectives	Matters affecting the auditor's report	the adopted Integrated Development Plan was not made available to the public (on the Municipality's website) within 14 working days after approval. The Integrated Development Plan was adopted on 27 May 2016 and only placed on the website on 17 June 2016. Furthermore, we noted that the supporting documentation and the related resolutions have not been placed on the website.	New	
3	Predetermined Objectives	Matters affecting the auditor's report	progress made relating to the zero weighted indicators, as a result thus the indicators should have been reported as there was progress made.	New	
4	Predetermined Objectives	Matters affecting the auditor's report	Differences between the reported outcome and supporting evidence (Percentage of (indigents) households with access to free basic electricity services by 30 June 2017 (GKPI))	New	
5	Procurement	Matters affecting the auditor's report	SCM – Awards made to suppliers related to persons in the service of the municipality without valid declarations of interest	Recurring	
6	Procurement	Matters affecting the auditor's report	SCM- Misstatement on the annual financial statement disclosures. goods or services were procured from close family members of persons in the service of the state without the proper disclosure being made on the annual financial statements, note 52.	Recurring	
7	Procurement	Matters affecting the auditor's report	SCM - Misstatement on the annual financial statement disclosures regarding deviations	New	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	lack of mechanisms such as a budget review plan that details the timeframes on which certain actions must be completed	supporting documentations (resolutions) to be made available for public inspections.	Ongoing		Manager budget		
	review process plan that details the timeframes on which certain actions must be completed not effectively implemented	supporting documentations (resolutions) to be made available for public inspections.	Ongoing		Manager IDP		
	excluded the indicators from the performance measurement scoring process	management to report on all the indicators that are specific, measurable, attainable, realistic and timely.	Ongoing		Manager PMS/MM		
	adequate review of the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	Management and Internal Audit to review the reported outcomes per indicator to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence).	Ongoing		Manager PMS		
	lack of controls over the vetting and acceptance of prospective suppliers of the municipality.	to utilize the services of Cross check for authenticity of the declarations by bidders	Ongoing		Manager SCM		
	lack of controls in the preparation and review of the annual financial statement.	To ensure that all required disclosures are made in the annual financial statement.	22-Jan-18	30-Jun-18	Manager SCM/CFO		
	lack of controls in the preparation and review of the annual financial statements.	To ensure that all required disclosures are made in the annual financial statement.	22-Jan-18	30-Jun-18	Manager SCM/CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
8	Procurement	Matters affecting the auditor's report	SCM - Bid specifications not drafted in unbiased manner	New	
9	Procurement	Matters affecting the auditor's report	SCM – Unfair disqualification of bidders	New	
10	Procurement	Matters affecting the auditor's report	SCM - Bids awarded to suppliers who did not meet functionality.	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
possible circumvention of the supply chain management regulations in the procurement process	ensure that fairness is maintained at all times in the procurement process and only include as part of the minimum requirement those requirements which are required by law or regulations.	Ongoing		Manager SCM		
	ensure that all bid specifications are drafted in an unbiased manner that promotes fair and equitable procurement of good and services.					
possible circumvention of the supply chain management regulations in the procurement process	To ensure that fairness is maintained at all times in the procurement process and only disqualify a bidder based on requirements which were pre-determined in the specification.	Ongoing		Manager SCM		
	To ensure that all bid specifications are drafted in an unbiased manner that promotes fair and equitable procurement of goods and services.	Ongoing				
possible circumvention of the supply chain management regulations in the procurement process	To ensure that fairness is maintained at all times in the procurement process and only disqualify a bidder based on requirements which were pre-determined in the specification.	Ongoing		Manager SCM		
	To ensure that all bid specifications are drafted in an unbiased manner that promotes fair and equitable procurement of goods and services.					

	Audit Findings	Category of Finding	Description of Finding	Finding status	
11	Procurement	Matters affecting the auditor's report	SCM - Procurement of goods and services above a transaction value of R200 000 without following a competitive bidding process	New	
12	Procurement	Matters affecting the auditor's report	Procurement of goods and services classified under designated sectors.	New	
13	Procurement	Matters affecting the auditor's report	Inconsistencies in the CIDB requirements.	New	
14	Receivables	Matters affecting the auditor's report	Prior period error (Receivables and Revenue)	Recurring	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	possible circumvention of the supply chain management regulations in the procurement process	Management will conduct use of consultants needs analysis in relation to the services needed and based on the outcome ensure that the acquisition of the services is in terms of competitive bidding process.	Ongoing		Manager SCM/CFO		
		The expenditures relating to the finding were reported as part of the irregular expenditure in the annual financial statements for 2016/2017 financial year in line with Section 32 of MFMA.					
	possible circumvention of the supply chain management regulations in the procurement process.	Ensure compliance with the SCM regulations are prioritised in order to ensure an effective procurement process.	Ongoing		Manager SCM		
	possible circumvention of the supply chain management regulations in the procurement process	To ensure that fairness is maintained at all times in the procurement process and ensure that proper review is done of the documentation to facilitate consistency in the process.	Ongoing		Manager SCM		
	The misstatement between the auditors recalculations and the municipality's reconciliations of debt collected and commission claimed by Khumalo Masondo was as a result of the municipality's reconciliations not being adequately reviewed. The municipality does not have a proper filing system in place, which thus results in requested information not being submitted for audit purpose.	monitor and review the drafting and presentation of the annual financial statements to mitigate the risk of presenting the annual financial statements to be material misstatement.	Ongoing				
		establish and maintain proper internal controls to ensure that all schedules, reconciliation performed are sufficiently and appropriately reviewed.			Manager Revenue/CFO		
		The information requested (supporting information) will be provided for audit					

	Audit Findings	Category of Finding	Description of Finding	Finding status	
15	Other Disclosure	Matters affecting the auditor's report	VAT - Differences between VAT balance per AFS to VAT reconciliation per auditors' recalculations	New	
16	Records	Matters affecting the auditor's report	<p>Payables - Non submission of information</p> <ol style="list-style-type: none"> 1. Contracts for each contractor included in the attachment (43 contracts) 2. Termination letter for all contracts terminated as indicated in the attachment (9 letters) 3. All relevant supporting documents supporting the amount for retention (43 items) 4. All relevant supporting documentation for the amounts highlighted in yellow in the payment received in advance (please use account numbers). Request for information 65 <p>The following information is still outstanding:</p> <ol style="list-style-type: none"> 1. 6 contracts: Black thari constriction; Ingomso Engineers; Mnyandu construction; Standford Electrical; Casnan Civils and Shatadi Developers 2. Supporting documents for Black Thari construction and Mnyandu construction <p>Request for information 67</p> <p>The following information is still outstanding:</p> <ol style="list-style-type: none"> 1. 17 lease agreements/contracts with an exception of Netelek and Nashua 	New	
17	Payments	Matters affecting the auditor's report	Expenditure and payables- Differences noted in the amounts presented	New	
18	Payments	Matters affecting the auditor's report	Payables - Foreign currency transactions	New	
19	Payments	Matters affecting the auditor's report	Payables - Differences noted between amount disclosed	New	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	Not adequately review VAT balances against supporting documentation received from SARS.	review the VAT receivable balance and then effect correcting journals	Ongoing		CFO/Manager Expenditure		
	lack of proper record keeping systems to ensure that complete, relevant and accurate information is accessible and provided to the auditors as requested within reasonable timeframes.	establish and maintain proper record keeping systems to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting within agreed timeframes.	Ongoing		Manager legal/ Expenditure and Revenue		
	lack of adequate monitoring and review of the drafting and presentation of the annual financial statements to mitigate the risk of presenting the annual financial statements to be materially misstated.	Proposed Adjustment	Ongoing		CFO		
	did not ensure that liabilities in foreign currencies were revalued to the closing rate on 30 June 2017.	Proposed Adjustment			CFO		
	The misstatement (overstated) of payables was as a result of the municipality's accounting officer not taking all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system which recognizes expenditure when it is incurred.	provide the supporting evidence for the difference of R 722 763.47 between the financial statements and the accrual list.	22-Jan-18	30-Apr-18	CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
20	Revenue	Matters affecting the auditor's report	Property rates – Prior period error not correctly corrected	Recurring	
21	Bank	Other important matters	Bank reconciliation discrepancies	New	
22	Bank	Other important matters	Bank balances not matched to bank accounts	New	
23	Other Disclosure	Other important matters	Cash flow statement – Cash flow differences	New	
24	Other Disclosure	Other important matters	Commitments - Commitments audit difference	New	
25	Other Disclosure	Other important matters	Commitments - Commitments description	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not properly review the annual financial statements to ensure that it was in compliance with GRAP.	the spreadsheet for identified properties will not be inclusive of duplicates and the municipality will not apply blanket rates. Categories (i.e residential; business) of the property will be regarded.	Ongoing		CFO/Manager Revenue		
did not adequately review the bank reconciling items and ensured to clear the reconciling items within a reasonable period.	the reconciling items will be cleared timeously.	Ongoing		Manager Expenditure/ CFO		
did not ensure that cash and cash equivalents balances correspond to the bank accounts of the municipality. Furthermore, the accounting officer did not adequately review the annual financial statements to ensure that it was in compliance with GRAP.	To ensure that cash and cash equivalent balances correspond to municipal bank account balances.	Ongoing		CFO/Manager Expenditure		
did not properly review the annual financial statements to ensure that it was in compliance with the relevant laws and regulations.	Proposed Adjustment			CFO		
did not ensure that transactions recorded are reviewed against the supporting documentation to ensure that the transactions are posted in the correct accounts.	To ensure that transactions recorded are reviewed against the supporting documentation to ensure that transactions are recorded in the correct accounts.	Ongoing		CFO		
did not ensure that the disclosure descriptions correspond to the disclosed items.	management suggest to amend the statement to "Operating lease payments represent rentals payable by the municipality for leased assets used in the day to day operations of the municipality"			CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
26	Other Disclosure	Other important matters	Commitments - Completeness of commitments disclosure and commitment register	New	
27	Liabilities	Other important matters	Contingent liabilities - Completeness of contingent liabilities note	New	
28	Liabilities	Other important matters	Contingent liabilities and assets - Cases settled but not recognized as liabilities or assets	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
<ul style="list-style-type: none"> • did not ensure that disclosure was assessed against the definition of a commitment. • did not ensure that the commitment register submitted for audit was complete. 	<p>indicate which projects have exhausted the funds and evidence of exhaustion.</p> <p>Infrastructure report Amounts used are amounts as per appointment letter provided for audit. Management will provide contract amounts as amounts on the appointment letter are deemed not to be correct.</p> <p>WIP WIP register submitted with management response have commitment column amounts will be disclosed in the annual financials</p>	Ongoing		CFO/Deputy CFO		
<p>lack of review of the preparation of the annual financial statements. The accounting officer did not ensure that all contingent liabilities have been disclosed in the annual financial statements.</p>	<p>The contingent liability disclosure will be complete with all litigations to be disclosed</p>	Ongoing		Manager legal/CFO		
<p>did not ensure that the obligation/ asset relating to contingent liabilities that have been finalized were raised as soon as the matters were settled.</p>	<p>Management provided the letter from the former employee that states the employee admits to owing to the municipality and thus a debtor exists. A debtor should be recognized for the employee.</p> <p>The matter has been finalized and should not be disclosed as a contingent liability but should be recognized in the financial records of the Municipality.</p>	Resolved		Manager legal/CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
29	Liabilities	Other important matters	Contingent liabilities - Differences between the disclosed amounts and the legal confirmations	New	
30	Liabilities	Other important matters	Contingent liabilities - Contingent liabilities with no supporting evidence	New	
31	Liabilities	Other important matters	Contingent liabilities and assets - Completeness of contingent liabilities note	New	
32	Payments	Other important matters	Employee cost- Overtime paid exceed 30%	Recurring	
33	Payments	Other important matters	Non-compliance with Basic Conditions of Employment Act.	Recurring	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not ensure that the disclosed amounts correspond to the supporting documentation.	To ensure that the supporting evidence provided does correspond to the amounts disclosed as per the financial statements.			Manager legal/CFO		
did not ensure that the contingent liability disclosure corresponds to the legal attorneys files.	To provide alternative evidence to support the contingent liability disclosed for Makhubela.			Manager Legal/CFO		
did not ensure that the disclosed amounts correspond to the supporting evidence. Furthermore, the accounting officer did not review the financial statements to ensure that the notes correspond.	Management will disclose the estimated claims for these cases as a possible obligation arising from these cases being brought to the attention of the Municipality of which it is uncertain when the cases will be concluded and settled.			Manager legal/CFO		
did not appropriately communicate, establish and maintain proper internal controls to ensure that correct information is used by the Municipal officials in the Municipality's financial reconciliations and consistency in the reporting.	proper measure will be developed to prevent overtime excess claims from happening going forward	Ongoing		Manager Expenditure/CFO		
not adequately review the processing of the overtime to be paid to employees. The accounting officer did not exercise oversight responsibility regarding compliance with laws and regulations.	ensure that all overtime paid is in line with the Basic Conditions of Employment Act.	Ongoing		Manager Expenditure/CFO/Senior Manager Infrastructure		
	ensure that further adequate and appropriate controls over authorisation and accuracy of overtime hours to employees are designed and implemented to avoid risks of not being in compliance to the relevant collective agreements and HR policies and legislation.					

	Audit Findings	Category of Finding	Description of Finding	Finding status	
34	Human Resources	Other important matters	Employee cost- Overtime worked prior approval	Recurring	
35	Payments	Other important matters	Employee cost - Unauthorised expenditure.	New	
36	Payments	Other important matters	Employee cost- Overtime paid exceed 30%	Recurring	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	not adequately review the processing of the overtime to be paid to employees. The accounting officer did not exercise oversight responsibility regarding compliance with laws and regulations.	ensure that all overtime paid is in line with the Basic Conditions of Employment Act.	Ongoing		senior manager corporate services		
		ensure that further adequate and appropriate controls over authorisation and accuracy of overtime hours to employees are designed and implemented to avoid risks of not being in compliance to the relevant collective agreements and HR policies and legislation.					
	lack of adequate preventative controls to ensure that unauthorised expenditure is not incurred and detective controls to ensure that unauthorised expenditure actually incurred is correctly identified and disclosed in the annual financial statement.	prove that indeed the R4 297 589 that relates to employee cost is included in the amount disclosed of R82 566 634 unauthorised expenditure	Ongoing		CFO		
	did not appropriately communicate, establish and maintain proper internal controls to ensure that the correct information is used by the Municipal officials in the Municipality's financial reconciliations and consistency in reporting.	ensure that all overtime paid is in line with the Basic Conditions of Employment Act.	Ongoing		CFO/Manager Expenditure/ Seior Man. Corporate		
		ensure that further adequate and appropriate controls over authorisation and accuracy of overtime hours to employees are designed and implemented to avoid risks of not being in compliance to the relevant collective agreements and HR policies and legislation.					

	Audit Findings	Category of Finding	Description of Finding	Finding status	
37	Payments	Other important matters	Employee cost – Excessive bonus paid	New	
38	Human Resources	Other important matters	Employee cost - Non compliance the municipality does not have a performance management system in place for employees below senior management level (section 56 and section 57). Furthermore, we have noted that the municipality does not evaluate or monitor the performance of employees.	New	
39	Payments	Other important matters	Employee cost – section 56/ 57 total remuneration packages	New	
40	Other Disclosure	Other important matters	Employee costs - Employment benefits obligations accounting policy	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not review the payment made to the employee to ensure that the amount paid to the employee is accurate and relates to the number of months worked by the employee.	review bonus payments relating to employees that are terminating their employment to ensure that the amounts paid are apportioned to reflect the number of days/ months worked from the beginning of the financial year to the date of termination within the bonus cycle. These overpayments should be recovered.	Ongoing		CFO		
did not put in place performance management and monitoring systems/ mechanisms to evaluate and monitor the performance of employees.	management has to provide the supporting evidence on the implementation of the framework regarding the evaluation and monitoring of employee performance.	22-Jan-18	30-Jun-18	MM/Senior Manager Corporate		
did not consider the increase relating to the movement in the upper limit as per the gazettes when adjusting the total remuneration package of the section 56 and 57 senior managers.	consider the guidelines provided in line with the upper limits to prevent double accounting for cost of living adjustments. The overpayments should be recovered from the affected officials.	Ongoing		MM/Senior Manager Corporate/ CFO		
did not review the accounting policies disclosed to ensure that all disclosed accounting policies are applicable to the municipality.	Management has not adjusted the financial statements for the errors in the disclosure. In relation to the finding on the Multi-employer plans, the finding is resolved. In relation the rest of the finding, the finding has not been resolved as management has not adjusted the financial statements. To adjust the financial statements	Ongoing		CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
41	Human Resources	Other important matters	Employee cost – No controls in place for the collection of payslips	New	
42	Payments	Other important matters	Employee cost - Employee cost Fringe benefit	New	
43	Payments	Other important matters	Employee cost – Termination overpayment	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not ensure that proper controls to confirm accuracy of salary payments are implemented.	implement controls where employees sign for their pay slips when they receive them from the different pay points. The accounting officer should also ensure that a report of employees per division is generated and sent to divisional heads to certify that employees are reporting under them, they still work for the municipality and payments made to them are accurate and or within the acceptable range.	Ongoing		CFO/Senior Manager Corporate		
There are no controls in place to ensure compliance with the Income tax Act, 1962 (Act no. 58 of 1962) requirements pertaining to taxable fringe benefits provided to municipal employees.	ensure that all taxable fringe benefit are included in the calculation of PAYE to ensure compliance with the Income tax Act, 1962 (Act no. 58 of 1962).	22-Jan-18	30-Apr-18	CFO/Manager Expenditure		
not adequately monitor and review the processing of termination leave paid to employees to ensure termination leave is in line with HR policy.	ensure that there are adequate review and authorisation control procedures before termination leave is paid.	Ongoing		CFO/Senior Manager Corporate		
	ensure that further adequate and appropriate controls over authorisation and accuracy of termination leave paid to employees are designed and implemented to avoid risks of not being in compliance to the relevant collective agreements and HR policies and legislations. This overpayment should be recovered from the resigned employee.	Ongoing				

	Audit Findings	Category of Finding	Description of Finding	Finding status	
44	Human Resources	Other important matters	Employee cost – Non-compliance with HR policy	New	
45	Other Disclosure	Other important matters	Employee cost – Presentation and Disclosure	New	
46	Payments	Other important matters	Employee cost - Skills development levy	New	
47	Payments	Other important matters	Employee cost – Employee paid above pay grade	New	
48	Payments	Other important matters	Employee cost: Unemployment Insurance Act	New	
49	Other disclosure	Other important matters	Employment benefits obligations disclosed amounts	New	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	not perform adequate monitoring and review procedures to ensure that the entity is in compliance with the municipality's HR policy for appointments. There is a lack of adequate review procedures when appointing employees so as to ensure that the salaries paid to employees are per the approved pay grade and agree to the employment contract.	Ensure that review and authorisation control procedures are implemented when appointing employees.	Ongoing		Manager HR/Senior Manager Corporate		
	did not ensure that all disclosure items are disclosed appropriately. Furthermore, the accounting officer did not adequately review the financial statements.	ensure that adequate review processes are implemented while the financial statements are being prepared, to ensure they fairly present the state of affairs of the municipality.	Ongoing		CFO		
	did not review the system inputs to ensure compliance with the Skills development levies Act.	review the system inputs to ensure compliance with the Skills development levies Act.	Ongoing		Manager Expenditure/ CFO		
	lack of adequate review procedures when appointing employees and providing salary increases so as to ensure that the salaries paid to employees are per the approved pay grade.	ensure that there are adequate review and authorisation control procedures before salary increases are processed and on appointment.	Ongoing		Manager expenditure/ Manager HR		
	did not review the system inputs to ensure compliance with the unemployment insurance Act	review the system inputs to ensure compliance with the unemployment insurance Act	Ongoing		Manager Expenditure		
	did not review the disclosure note to ensure that the disclosure note corresponds with the supporting documentation.	review the disclosure note to ensure that the disclosure note corresponds with the supporting documentation.	Ongoing		Manager Expenditure/ CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
50	Other disclosure	Other important matters	Journals – Differences between the journal and the supporting evidence	New	
51	Other disclosure	Other important matters	Journal – Journal not posted in the appropriate accounts	New	
52	Other disclosure	Other important matters	Journals - Retention written off	New	
53	Payments	Other important matters	Payment certificates dated before supplier/ contractor invoice	New	
54	Other disclosure	Other important matters	Journals - Completeness of journals	New	
55	Records	Other important matters	Contract register – Incomplete contract register	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not ensure that the journals correspond to the supporting evidence.	review the journals against the attached supporting evidence to ensure that all amounts posted through journals correspond to the supporting evidence. Proposed adjustment	Ongoing		CFO/Deputy CFO		
Did not review the journals against the supporting evidence to ensure that the journals are posted into the appropriate accounts.	provide a reconciliation of the account to evidence the incorrect debits made to the non-current portion liability.			CFO/Deputy CFO		
did not ensure that that the retention written off corresponds to the council resolution.	Provide reasons and supporting evidence for the difference between the amount written off and the amount approved for write off by Council. Proposed adjustment			CFO/Deputy CFO		
did not ensure that the payment certificates recorded in the financial year are supported by the invoices or alternative evidence from the contractor.	review the payment certificate simultaneously with the invoice from the contractor to evidence the work completed and claimed as per the payment certificate. The payment certificates attached to journal 6533 are dated before the actual invoices.			Manager Expenditure		
The MunSoft system has sequence breaks in the journal numbers. Therefore, completeness of journals is not guaranteed.	investigate the sequence breaks in the list of journals from the system to ensure completeness of the journals posted.			Manager Expenditure		
did not establish and maintain proper record keeping systems to ensure that all contracts are included and recorded in the contract register.	review and update the contract register accordingly to ensure that all the contracts are included in the register.			Manager legal		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
56	Other disclosure	Other important matters	Budget statement – Inadequate reasons provided	New	
57	Other disclosure	Other important matters	Deferred income– Incorrect presentation and disclosure	New	
58	Other disclosure	Other important matters	Risk management disclosure – Incorrect disclosure	New	
59	Records	Other important matters	Use of consultants - Control deficiencies in the management of consultants	New	
60	Other disclosure	Other important matters	Prior period error - Differences noted in the prior period error note	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not ensure accurate explanations to all material differences are disclosed and properly cross referenced	propose adjustment on the reasons for material variances and correction of notes thereof that were not incorporated in the financial statements.			CFO/Deputy CFO		
did not properly review the annual financial statements to ensure that it was in compliance with GRAP.	request that the financial statements be adjusted to effect the corrections. The wording on the note was restored to the default when rolling the caseware file forward on preparation of the current year financials.			CFO/Deputy CFO		
did not ensure that the disclosed amounts corresponds to the amount in the statement of financial position.	request that the financial statements be adjusted to effect the corrections. The error was due to the fact that some notes are not directly linked to the statement of financial performance and manual updating was not effected on finalization of the financial statements.			CFO/Deputy CFO		
lack of adequate controls to ensure that consultants are properly managed and that skills are appropriately transferred to the municipality.	will ensure that the consultancy reduction plan is drafted and implemented by the municipality to reduce the engagement of consultants in 2017/2018 financial year going forward. All the contracts with consultants will also be provided by the legal advisor to identify the gaps that needs to be addressed as raised by the auditors.			CFO		
lack of review of the preparation of the annual financial statements.	to update the Prior period note numbering and make the changes to the note:			CFO/Deputy CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
61	Other disclosure	Other important matters	Restated amounts made to other income on the annual financial statement.	Recurring	
62	Compliance	Other important matters	Compliance - Annual financial statements non-compliance	New	
63	Other disclosure	Other important matters	Events after the reporting period – Non-adjusting events	New	
64	Immovable assets	Other important matters	PPE - Assets transferred from WIP incorrectly	New	
65	Immovable assets	Other important matters	PPE – Additions to WIP	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
The restatement made under the line items receivables from exchange transactions and revenue from exchange transaction identified by the auditors was as a result of an oversight and inadequate monitoring and review by management.	The amount was incorrectly classified under other income and therefore requests to make adjustments and reclassify it to the correct line item on the financial statements. provide correcting journal for audit			CFO/Deputy CFO		
did not comply with the Municipal Finance Management Act.	there was an omission to publicize the Oversight Report following council adoption process. The omission was subsequently corrected with the publication of the council resolution on the website.			MM		
did not disclose the increase in the benefits in the financial statements.	review the minutes of Council after year end for events that might have an impact on the financial statements and adequately adjust or disclose the events to ensure compliance with GRAP 14.			CFO		
did not adequately review that information transferred from the WIP register to the FAR is valid, accurate and complete.	The dates will be rectified to reflect the actual date of completion and the relating depreciation will be adjusted. All transferred projects will be assessed to ensure that the entire population is tested.			Manager Assets		
did not adequately review invoices and costs capitalised to the WIP register.	provide the supporting calculations for the unbundling of the assets and the recalculation of the depreciation affecting these assets.			Manager Assets		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
66	Other disclosure	Other important matters	Prior period error disclosure differences and differences to supporting schedules	New	
67	Other disclosure	Other important matters	PPE - Reconciliation of GL and FAR differences	New	
68	Immovable assets	Other important matters	PPE – Assets not verified	New	
69	Immovable assets	Other important matters	Investment property – Valuation of investment properties	New	
70	Other disclosure	Other important matters	Limitation on auditing validity of prior period error calculation	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not adequately review the annual financial statements prior to submission for audit. Furthermore, the accounting officer did not sufficiently review the supporting calculations to the prior period errors correction to ensure that all differences are reconciled appropriately.	Management discussed the differences between the auditor's calculation and the audit support submitted with the AG (SA). The total difference amounts to R140 090 and management requests to make adjustments the AFS to reflect the correct value.			Manager Assets/CFO		
did not ensure that the general ledger and fixed asset register are reconciled appropriately.	to adjust the disclosure on the Annual Financial Statements.			Manager Assets/CFO		
lack of appropriately designed and implemented asset verification procedures.	Immoveable assets that are not found for two consecutive financial years are then removed from the Fixed Asset Register. Therefore, PK 36222 will be written off during the 2017/18 Financial year.			CFO/Manager Assets		
lack of appropriately designed and implemented asset verification procedures.	ensure that all the assets recorded in the FAR actually meet the definition of investment property.			Manager Assets		
did not adequately review assets reclassified in the municipality's asset register to ensure that it is sufficiently supported by valid documents proving that a reclassification adjustment is required	ensure that all adjustments are sufficiently supported by valid supporting documents before approval. The evidence supporting adjustments will be sufficient and appropriate in light of the circumstance.			CFO/Manager Assets		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
71	Immovable assets	Other important matters	PPE - Elandsdoorn Cemetery	New	
72	Other disclosure	Other important matters	Prior period error disclosure differences in depreciation stated as per note 43	New	
73	Other disclosure	Other important matters	Lease liability - Disclosure misstatements to lease liability	New	
74	Movable assets	Other important matters	PPE – Assets carried at excessive carrying amounts	New	
75	Other disclosure	Other important matters	PPE - Assets written off approved with incorrect amounts	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not ensure that assets transferred from work in progress for depreciation met the requirements of GRAP 17.	ensure that projects are completed as per the original scope, and any extensions are approved appropriately. Furthermore, assets not complete should be recorded as WIP and therefore not qualify for depreciation, and the accounting officer should ensure that this requirement is complied with.			Manager Assets		
did not adequately review the annual financial statements prior to submission for audit.	ensure that the annual financial statements are adequately reviewed for consistency and accuracy, and that supporting schedules and calculations agree to the financial statements and underlying accounting records.			CFO/Manager Assets		
did not review the accuracy of lease liability disclosures to supporting calculations and documents.	propose to change note 15 and 38 disclosure			CFO/Deputy CFO		
did not ensure that assets brought in to the asset register are complete and accurate.	ensure that information brought into the asset register are adequately reviewed for completeness, validity and accuracy.			CFO/Manager Assets		
did not adequately review municipal assets written to the fixed asset register to ensure that the disposal values is accurate.	PK Asset ID. 12718 was reflected at zero loss and the other four reflected a negative carrying values on the Council write off approved list. The final assets write off list should be reviewed by the CFO as an internal control measure before it is send to Council.			CFO/Manager Assets		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
76	FAR	Other important matters	PPE - Fixed asset register deficiencies	New	
77	Inventory	Other important matters	Inventories – Safeguarding of inventory	New	
78	Immovable assets	Other important matters	Assets donated incorrectly classified as bursary expenses	New	
79	Expenditure	Other important matters	Expenditure: Overpayment to supplier	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
lack of appropriately designed and implemented controls over the fixed asset register.	Management will improve on this matter in the future. As a control measure, the system will be updated to ensure the above mentioned columns are compulsory.			Manager Assets		
lack of adequate safeguarding of municipal assets in terms of inventory.	Provide schedule as proof, furthermore on re-inspection of the insurance policy, to identify that inventory is insured adequately.			Manager Assets		
did not properly review journals passed to the financial accounting system which should have prevented the misclassification in expenses. Furthermore, the accounting officer did not adequately review the annual financial statements to ensure that it was in compliance with GRAP.	requests to make an adjustment to the financial statements by reclassifying donated assets from bursary expense to assets expensed.			Manager assets/CFO		
did not implement controls over daily and monthly processing of transactions to avoid fruitless and wasteful expenditure.	Implement controls over daily and monthly processing of transactions to avoid fruitless and wasteful expenditure. Classify the overpayment as fruitless and wasteful expenditure until the matter is investigated. This overpayment should be recovered from the supplier. Audit should also be furnished with a copy of the receipt where this overpayment was recovered from the supplier.			Manager Expenditure/CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
80	Expenditure	Other important matters	Expenditure – Misclassification of operating lease	New	
81	Expenditure	Other important matters	Expenditure – Duplicate transaction	New	
82	Expenditure	Other important matters	Expenditure – Payment made after 30 days	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
<p>did not put adequate procedures in place to ensure that expenses are recorded in the correct accounts.</p>	<p>*Request to correct it during the adjustment to the financials and in addition, management request to reclassify transactions relating to Total Client Services as there is also no lease agreement in place as the municipality only pays for software and license.</p> <p>*G700Management agrees with the finding that we did not submit the contracts requested and below is a list of contracts that we have managed to retrieve:</p> <ul style="list-style-type: none"> • NETELEK PTY LTD, • NASHUA • VALOSTAR • MAREDI TELECOMS/EMS ENVIROTEL 			<p>Manager Expenditure/ CFO</p>		
<p>did not put control measures, such as stamping captured transactions to prevent duplicate capturing, in place.</p>	<p>provide proof of the proposed adjustment, after adjustment approval and a revised general ledger where the transaction no longer appears twice should also be submitted. No adjustment was effected.</p>			<p>Manager Expenditure/ CFO</p>		
<p>did not review and monitor compliance with applicable laws and regulations.</p>	<p>implemented the invoice register in 2017/2018 that will serve as a monitoring tool to ensure that invoices are paid within 30 days of receipt thereof.</p> <p>We also noted that there were delays in receiving the invoices from Eskom whereas the entity calculating the interest from the date invoice was generated by the system. The matter has been addressed with the entity.</p>			<p>Manager Expenditure/ CFO</p>		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
83	Payables	Other important matters	Payables - Unrecorded liabilities	New	
84	Payables	Other important matters	Payables – Clearing accounts	New	
85	Payables	Other important matters	Payables - Foreign currency transactions	New	
86	Predetermined objectives	Other important matters	Spatial development analysis and rationale - Differences between the reported outcome and supporting evidence	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
Not all the accruals relating to the year ended 30 June 2017 have been recorded in the financial statements of the Municipality.	proposing journals to correct the finding			Manager expenditure/ CFO		
did not ensure that the clearing account is cleared as payments are made to third parties relating to employee costs.	propose journal to correct the correctly allocate the accounts clear the account as the payments are made to third parties and keep a reconciliation of the amounts remaining in the account as evidence that the amounts in the account are items that have not been paid. Audit should be furnished with a reconciliation of this remaining amount in the clearing account as well as supporting documentation making up this amount.			CFO		
did not ensure that that liabilities in foreign currencies were revalued to the closing rate on 30 June 2017.	Proposed adjustment			CFO		
did not ensure that all indicators correspond to the relevant supporting documents.	The submission date on the application register cannot be validated to the actual application. As a result, the finding cannot be resolved The inspection application of the above mentioned applicant (Ikotwe) was not provided. As a result, the finding has not been resolved. Management have not provided us with the supporting evidence to evidence the cancellation of the application for inspection. As a result, the finding has not been resolved.			Senior Manager Planning		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
87	Predetermined objectives	Other important matters	AOPO - Differences between the reported outcome and supporting evidence (Percentage capital budget spend in terms of new IDP identified projects by 30 June 2017)	New	
88	Predetermined objectives	Other important matters	AOPO -Differences between the reported outcome and supporting evidence (Percentage of new capital projects completed for EMLM funded projects)	New	
89	Predetermined objectives	Other important matters	Differences between the reported outcome and supporting evidence (Speed calming measures via speed camera law enforcement))	New	
90	Predetermined objectives	Other important matters	AOPO - Differences between the reported outcome and supporting evidence (Percentage spending on INEP funding by the 30 June 2017)	New	
91	Predetermined objectives	Other important matters	AOPO - Differences between the reported outcome and supporting evidence (Percentage of households with access to a minimum level of basic waste removal by 30 June 2017 (Once per week) (GKPI))	New	
92	Predetermined objectives	Other important matters	Road and infrastructure plan	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	POE (i.e. section 71 report for the month of June) used was not the final report for June 2017. review the reported outcomes per indicator to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence).			Deputy CFO		
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	<ul style="list-style-type: none"> Review the reported outcomes per indicator to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence). Consider including a separate indicator to report on the percentage of roll over projects completed for EMLM projects. 			Senior Manager Infrastructure		
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	review the reported outcomes per indicator to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence).			Senior Manager Community Services		
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	review the reported outcomes per indicator to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence).			Deputy CFO		
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	will ensure that the reported outcomes per indicator will be reviewed to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence).			Senior Manager Community Services		
had a reactive process in place whereby roads are fixed as and when the need is required.	have a roads maintenance plan in place supported by condition assessments performed on all the roads.			Senior Manager Infrastructure		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
93	Predetermined objectives	Other important matters	AOPO - Differences between the reported outcome and the supporting documentation provided (Percentage spending on MIG funding by the 30 June 2017)	New	
94	Predetermined objectives	Other important matters	AOPO - Differences between the section 71 report and the supporting documents	New	
95	Predetermined objectives	Other important matters	AOPO - Non submission of information	New	
96	Procurement	Other important matters	SCM- Award made to suppliers who did not submit their declaration of interest forms.	New	
97	Procurement	Other important matters	SCM - Tenders for consultant and contractors advertised as one.	New	
98	Procurement	Other important matters	SCM – Uneconomical use of municipal resources.	New	
99	Procurement	Other important matters	SCM – Fruitless and wasteful expenditure incurred on Durban conference	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	review the reported outcomes per indicator to ensure that the outcomes correspond to the supporting evidence (portfolio of evidence).			Deputy CFO		
did not adequately review the reported outcomes for indicators to ensure correspondence to the relevant supporting documents.	review the monthly budget statement against the financial history (Unspent grant liability account) and the Property Plant Equipment reconciliation to ensure that the reported outcome is accurate.			Deputy CFO		
Municipality did not enter into an employment contract with Riba Kagoal David ID No (7902065716).	ensure that supporting evidence is complete, relevant and accurate information and is accessible and available to support financial and performance reporting within agreed timeframes.			Senior Manager Planning and LED		
lack of controls and oversight evaluation and acceptance of prospective suppliers of the municipality.	will ensure that disclosure forms are part of the requisition for a quotation as the municipality does not have its own supplier database it utilizes the National Treasury Central Supplier Database			Manager SCM		
lack of proper planning in the procurement process.	will ensure that turn-key projects are properly done			Manager SCM		
lack of proper management of municipals funds.	Will ensure that tender rates are reasonable as this was done as per the tender rates in the Vision print graphics bid Management will ensure that goods and services are procured at reasonable price			Manager SCM		
lack of proper management of the municipals funds.	ensure that plan properly when doing bookings to avoid paying for the same service twice.			Manager SCM		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
100	Procurement	Other important matters	SCM - Bidders scoring the highest points were not awarded.	New	
101	Procurement	Other important matters	SCM - Non-compliance on procurement of banking services.	New	
102	Procurement	Other important matters	SCM - Bid was awarded without specification.	New	
103	Procurement	Other important matters	SCM – Misstatement of the irregular, fruitless and wasteful expenditure.	New	
104	Other disclosure	Other important matters	Provisions- Misallocation of current service costs relating to long service awards	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
possible circumvention of the supply chain management regulations in the procurement process	ensure that fairness is maintained at all times in the procurement process and only disqualify a bidder based on requirements which were pre-determined in the specification.			Manager SCM		
lack of proper record keeping and contract management.	ensure that contracts are properly managed to ensure that the procurement process is initiated on time for services which the municipality require on a continuous basis.			Manager SCM/CFO		
possible circumvention of the supply chain management regulations in the procurement process	Submit proof that the tender is a transversal contract and also the fact the municipality is participating in the transversal contract			Manager SCM		
possible circumvention of the supply chain management regulations in the procurement process	<p>changes will be made to the disclosure of the irregular and fruitless and wasteful expenditure to reverse the write-off of the amount pending the approval by the National Treasury.</p> <p>determine liability and the appropriateness of the reported UIFW</p> <p>Procure services of investigative consultant through properly planned SCM channels</p>			CFO/Manager SCM/MM		
did not review the annual financial statements to ensure compliance with GRAP and other applicable laws and regulations.	To provide the source document provided for service awards paid-out accompanied by a supporting schedule detailing names and actual long service days awarded per employee. As the source document amounts provided have not been audited, the matter remains unresolved.			CFO/Deputy CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
105	Other disclosure	Other important matters	Provisions - Long service awards paid out obtained from incorrect source document	New	
106	Other disclosure	Other important matters	Provision for doubtful debts on consumer debtors	New	
107	Receivables	Other important matters	Receivables - Understatement of bad debts written off and bad debts written off against Revenue.	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
lack of adequate controls over posting of amounts to the annual financial statements in accordance with the accounting framework.	To provide the source document provided for service awards paid-out accompanied by a supporting schedule detailing names and actual long service days awarded per employee. As the source document amounts provided have not been audited, the matter remains unresolved.			CFO/Deputy CFO		
did not ensure that the calculation for the provision for doubtful debts was reviewed for accuracy and completeness.	ensure that any and all system calculations are recalculated manually to ensure accuracy of the amounts calculated.			CFO/Deputy CFO		
did not adequately establish sufficient internal controls to ensure that the enforcement of monitoring and reviewing of all municipal information is performed with the utmost relevance and due care.	propose and process correcting journals to correct and account for the incorrect classification of bad debts written off against revenue from exchange transaction, and submitted the journals to the auditors for the purpose of testing the reclassification.			CFO/Deputy CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
108	Receivables	Other important matters	Receivables – Overstatement of debt impairment	New	
109	Other disclosure	Other important matters	Related parties – Related parties difference	New	
110	Revenue	Other important matters	Receivables and revenue not accurately accounted for in the annual financial statements.	New	
111	Revenue	Other important matters	Revenue - Differences noted relating to distribution losses	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
<p>did not adequately establish sufficient internal controls to ensure that the enforcement of monitoring and reviewing of all municipal information is performed with the utmost relevance and due care.</p>	<p>Propose adjustment to correct errors in the initial adjustment as follows: 1. The adjustment will not be permitted due to the fact that the incorrect line item is being credited. Receivable should have been credited instead. (journal 1) 2. This was the initial incorrect journal that was effected when the first draft of the annual financial statement that submitted. Thus overstating bad debts. (Journal 2 and 3) 3. The amount proposed is not correct. The amount should be the difference between what was in the initial AFS and the recalculation by AGSA. (journal 4)</p>			CFO/Deputy CFO		
<p>did not ensure that the disclosed amounts corresponds to the supporting evidence.</p> <p>did not review the financial statements to ensure that the notes correspond.</p>	<p>review the financial statements to ensure that all notes correspond and all amounts per the financial statements agree to the supporting evidence and all disclosures have been disclosed.</p>			CFO/Deputy CFO		
<p>The understatement of R352 491.98 for line items Receivables from exchange transactions and Revenue from exchange transaction identified by the auditors was as a result of an oversight and inadequate monitoring and review by management.</p>	<p>ensure that they maintain their monitoring and reviewing processes on a daily basis to mitigate the risk of internal control deficiencies and possible material misstatements.</p> <p>Proposed adjustment</p>			CFO/Manager Revenue		
<p>did not adequately establish sufficient internal controls to ensure that the enforcement of monitoring and reviewing of all municipal information is performed with the utmost relevance and due care.</p>	<p>To revise the entire calculation of distribution losses (Rand and units) and resolve material difference.</p>			CFO/Manager Revenue		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
112	Revenue-Internal Control	Other important matters	Lack of senior management review in the traffic and licensing department	New	
113	Revenue	Other important matters	Understatement of revenue recognized from licenses and permits.	New	
114	Revenue	Other important matters	Understatement of Fines, Penalties and Forfeits and an overstatement of Services Charges.	New	
115	Revenue	Other important matters	Annual financial statement preparation deficiency.	New	
116	Other disclosure	Other important matters	Understatement and overstatement of fair market valuation recorded in the Annual Financial Statement.	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
did not appropriately ensure that proper internal controls are enforced to ensure that there is segregation of duties within the Traffic and Licensing department.	ensure that sufficient and appropriate oversight regarding delegations of authority is practiced on a day/ weekly/ monthly basis. ensure that line management reviews and authorises the records of work performed by junior officials.			Senior Manager Community Services		
The understatement of R512 489.15 for line items 'receivables from exchange transactions' and 'revenue from exchange transactions' identified by the auditors was as a result of management using the incorrect eNaTIS system generated report known as the (RD323) and lack of consist reporting.	maintain a constant review of Service level agreements and maintain a constant level of review of reporting to mitigate the risk of internal control deficiencies and possible material misstatements. This misstatement will be investigated and corrected.			CFO/Senior Manager Community		
The understatement of R7 800 for line items receivables from exchange transactions and revenue from exchange transactions identified by the auditors was as a result of an oversight and inadequate monitoring and review by management.	ensure that they maintain their monitoring and reviewing processes on a daily basis to mitigate the risk of internal control deficiencies and possible material misstatements. Proposed adjustment			CFO/Senior Manager Community		
The annual financial statement preparation deficiency was due to a lack of appropriate monitoring and review from senior management.	Proposed to adjust and on the financial statements and provide all supporting journals and correct valuation rolls for audit.			CFO/Deputy CFO		
The misstatement emanated as a result of a lack of proper internal control mechanisms for monitoring and review of municipal information by senior management.	appropriate adjustments have been performed on the financial statements and all supporting journals and correct valuation rolls submitted for audit.			CFO/Deputy CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
117	Revenue	Other important matters	Revenue - Overstatement of recognition of Revenue from exchange transactions: Interest received	New	
118	Revenue	Other important matters	Revenue - Incomplete hard copy of general valuation and supplementary valuation roll	New	
119	Other disclosure	Other important matters	Overstatement of recognition of revenue from non-exchange transaction: Government Grant and Subsidies	New	
120	VAT	Other important matters	VAT 201 differences on the general ledger	New	
121	VAT	Other important matters	VAT Fruitless and wasteful expenditure	New	
122	Information Technology	Other important matters	Lack of monitoring performance of consultants rendering services to the municipality	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
The accounting officer did not appropriately establish full and proper internal controls to ensure that journals processed for accrued interest received from investment were reviewed and approved appropriately.	will make an adjustment in the AFS and submit journal for audit			CFO/Deputy CFO		
The accounting officer did not appropriately establish that proper internal controls are enforced to ensure that a delegated municipal official monitor and review the updating of the general and supplementary valuation rolls.	To identify all the properties which were deemed to be untraceable on the general valuation roll.			CFO/Manager Revenue		
The accounting officer did not appropriately establish full and proper internal controls to ensure that preparation of journals to recognise revenue from non-exchange transaction are monitored and reviewed on a timeous basis.	To make available all the relevant supporting Journals pertaining to MIG spent for further audit testing.			Deputy CFO/ CFO		
did not ensure that VAT returns submitted correspond to the amounts per the general ledger. Furthermore, the accounting officer did not adequately review the annual financial statements to ensure that it was in compliance with GRAP.	request to correct the error during the adjustments to the financials.			CFO/Manager Expenditure		
did not review and monitor compliance with applicable laws and regulations.	To provide the notice of objection relating to the said amounts as well as proof that all funds due to the municipality were subsequently received.			CFO/Manager Expenditure		
non- establishment of a service level monitoring process. Furthermore there are no personnel that assigned accountability for the SLA monitoring.	VIP Softline on lack of monthly performance reports, and the meetings to discuss the support services and monitoring will be convened henceforth, noting that the off-line telephonic and e-mail support discussions are not adequate.			Manager ICT/Senior Manager Corporate		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
123	Information Technology	Other important matters	133.2 Inadequate IT personnel job descriptions	New	
124	Information Technology	Other important matters	Inadequate IT Risk Assessment	New	
125	Information Technology	Other important matters	Firewall rules inadequately configured (Repeat finding 2015/16)	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
new responsibilities had not been approved.	until SALGBC concludes its Job evaluation and subsequently the municipal grading processes the municipality is not in the position to commit in signing the Job descriptions on which the current ICT officers have been assigned to following the placement process.			Senior Manager Corporate		
IT department was not being monitored as a result there was an oversight in the execution of responsibilities by the IT management.	management will establish measures to monitor the performance of the IT department this could be achieved by embedding IT as a subset of the corporate governance of the municipality to ensure effective performance of IT responsibilities and implement measurable mechanisms for established IT processes. Management will ensure that IT risk assessments are performed to evaluate the effectiveness of management's control over IT processes, policies and contracts.			Senior Manager Corporate		
The municipality did not have firewall skilled personnel internally to configure the firewall adequately.	ensure that no rules are set up to allow any source, destination and service/protocols. Rules requiring any in the services, source and destination should be limited to users requiring internet access to perform job functions. In this case, a mitigating control (e.g. an application layer filter) should be applied to limit web surfing capabilities.			Manager ICT		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
126	Information Technology	Other important matters	Users' identification not adequately designed (Repeat finding 2015/16)	New	
127	Information Technology	Other important matters	The DRP policy was not approved	New	
128	Information Technology	Other important matters	Inadequate implementation of back-up processes on VIP and the network	New	
129	Information Technology	Other important matters	Evidence of review of user access rights, system controller activities, logon violations reports on VIP and Active Directory could not be provided. (Repeat finding 2015/16)	New	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	The municipality did not have firewall skilled personnel internally to configure the firewall adequately.	management recommends that the password shall be given to the ISO in order to review all user access activities.			Manager ICT		
	Council approved the DRP in 2012, the performance of the IT department was not being monitored as a result there was an oversight in ensuring that council minutes were kept in a secured environment where they can be accessible.	provide council approved Master System Plan (MSP) under Resolution no C15/16-04 and Disaster Recovery Plan (DRP) under Resolution No.C15/16-05 during its Ordinary meeting on 30 September 2015.			Manager ICT		
	control weakness was due to the weaknesses on the Backup Assist the municipality was experiencing backup challenges. The Backup assist crashes most of the time when backups are being made.	ensure that ongoing readability of backups is tested periodically through restoration testing once the infrastructure and technology for performing restorations is fully implemented.			Manager ICT		
	The role of reviewing user access rights is not assigned to an individual.	IT Management should ensure that: User's access rights are regularly reviewed to confirm whether their profile is in line with their job responsibilities; • The activities of the system administrators are regularly monitored and reported on by an independent person by comparing such activities of the controller with approved access request forms; • Reports of access and logon violations should requested from relevant parties and regularly reviewed to identify possible unauthorized access to the system; and • Evidence of any administration or reviews preformed in relation to user accounts, should be kept for future reference and audit purposes.			Manager ICT		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
130	Information Technology	Other important matters	Electronic Funds Transfer procedure not adequately documented (Repeat finding 2015/16)	Recurring	
131	Information Technology	Other important matters	Change management policy and procedure not approved (Repeat finding 2015/16)	Recurring	
132	Information Technology-MSCOA	Administrative Matters	Inadequate MSCOA post-implementation	New	
133	Information Technology-MSCOA	Administrative Matters	Inadequate data conversion or migration plans	New	
134	Information technology-MSCOA	Administrative Matters	Data cleansing process not performed	New	

	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
	Formal control over IT systems Finance management had documented a draft Electronic Funds Transfer procedures awaits approval from the council.	Discussions are ensured with the banking services to develop the EFT procedure manual.			Manager ICT		
	The Change management policy was developed and approved by council under Resolution No C13/82 in 2013, the performance of the IT department was not being monitored as a result there was an oversight in ensuring that council minutes were kept in a secured environment where they can be accessible.	To provide evidence of Council Resolution No C13/82			Manager ICT		
	Management did not follow National Treasury guidelines with regards to the implementation of MSCOA.	ensure that post implementation process is documented and is formally approved by the relevant approval authority. Furthermore management should ensure that post implementation reviews are done.			Manager ICT/ Deputy CFO		
	The municipality did not have skilled resources internally to develop migration plans and perform data conversion	the data conversion and migration planning process will be documented			Manager ICT/ Deputy CFO		
	The municipality did not have skilled resources internally to perform data cleansing.	in view of the partnership programme with the Vendor appointed, the programming is done by the vendor and the segments, data and field cleansing process will be jointly documented as part of the support programme.			Manager ICT/ Deputy CFO		

	Audit Findings	Category of Finding	Description of Finding	Finding status	
135	Information technology-MSCOA	Administrative Matters	139.4 Inadequate data mapping	New	

Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress	Probability
<p>The lack of data mapping could be attribute to the lack of IT human resource capacity and the absence of delegation of authority and responsibilities to an independent person to perform data mapping.</p>	<p>ensure that data mapping is performed and the project team developed a data map. Determine if the data map had sufficient detail to assist IT in converting the data and for testers in testing the system by determining if it included the following:</p> <ul style="list-style-type: none"> • Flow chart of data movement • Identification of common data elements • Identification of field mapping between old system and new system • Determine file format and layout for import: field length, format, name, values, etc. • Translation of data values • Identification of confidential / key data 			<p>Manager ICT/ Deputy CFO</p>		

APPENDIX A- COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Ward number	Surname	Full names	full time/ Part time FT/PT	Committee Allocated
01	Mphela	Mojabeng Amelia	PT	Finance. Council
02	Phatlane	Alfred	FT	Corporate Services EXCO Council Meeting Ethics
03	Mamakoko	Mokgohlwe Lettie	PT	Planning Council
04	Moima	Lizzy Mahlatse	PT	Community Services Council
05	Makweoane	Agnes Mapetle	PT	Infrastructure Council
06	Ndlovu	Raymond Ndumiso	PT	Executive Council
07	Phala	Magabolle Lucas	PT	MPAC: member Ethics Council
08	Ratlou	Sefako Winter	PT	Community Services Council Rule and petition
09	Ratau	Rose Mmapule	PT	Executive Support Council
10	Madisa	Kgadi Francinah	PT	Planning Council
11	Namane	Given Ranyaba	PT	Planning Council
12	Phorotlhoe	Thabiso Andries	PT	Finance. Council Rules and petitions
13	Oosthuizen	Willem Nicolaas Saaiman	PT	Council Executive Support
14	Bogopa	Botha(M)	PT	Community Services Council
15	Mahlangu	Julia (F)	PT	Ethics Council
16	Zulu	Ben Madolombane (M)	PT	Infrastructure Council
17	Ratau	Tsimisi Thabiso(M)	PT	Corporate Services Council Meeting

	Ward and /or Party represented	No of meetings held	no. of meetings attended	No. of apologies for non-attendance	No of Absence without leave
	ward	07 11	06 11	00 00	01 00
	ward	8 12 11 04	07 12 10 03	01 00 01 01	00 00 00 00
	ward	08 11	07 11	00 00	01 00
	ward	07 11	07 11	00 00	00 00
	ward	08 11	08 11	00 00	00 00
	ward	01 11	01 11	00 00	00 00
	ward	09 04 11	08 04	00 00	01 00
	ward	07 11 01	07 11 01	00 00 00	00 00 00
	ward	01 11	00 11	00 00	00 00
	ward	08 11	06 11	01 00	01 00
	ward	08 11	08 11	00 00	00 00
	ward	07 11 01	05 01	00 01	02 01
	ward	11 01	10 00	01 00	00 00
	ward	07 11	04 10	02 01	01 00
	ward	04 11	04 11	00 00	00 00
	ward	08 11	07 10	01 01	00 00
	ward	08 11	08 11	0 0	0 0

Ward number					
	Surname	Full names	full time/ Part time FT/PT	Committee Allocated	
18	Machipa	Toudi Aron (M)	FT	Head Finance. EXCO Council	
19	Masimula	Phahlana (M)	PT	Corporate Services Council	
20	Skhosana	Waziwa Jim (M)	PT	Finance. Council	
21	Makeke	George Monnana (M)	PT	Ethics MPAC Member Council	
22	Matsepe	Motlalekgomo Maria(F)	PT	Planning council	
23	Mahlangu	Nomsa Ndazi (F)	PT	Council Executive Support	
24	Mokganyetji	Thomas Mareme (M)	PT	Infrastructure Rules and Petitions Council	
25	Maphopha	Emily Maabele	PT	Community Services Council	
26	Motlafe	Manthwaleng Girly	PT	Ethics Council	
27	Mokwane	Magdeline Kubane	PT	Infrastructure Council	
28	Maipushe	Sekina Manku	PT	Rules and Petitions Council	
29	Malatji	Meriam Nape	PT	Finance. Council Rule and petition	
30	Kgopa	Kgabo Silas	PT	Corporate Services Council	
31	Msiza	Mothibe Rhodes	PT	Corporate Services Council Rules and petition	
32	Mathebe	Julia Lata	FT	EXCO/Mayor Council	
33	Matjomane	Germinor Delly (F)	FT	Head Infrastructure Council	
34	Tladi	Magetle David	FT	Speaker	
35	Phahlamohlaka	Tebogo Mafereke	FT	Ethics Council	
36	Mehlape	Salminah Hlaole	PT	MPAC: member Council	

	Ward and /or Party represented	No of meetings held	no. of meetings attended	No. of apologies for non-attendance	No of Absence without leave
	ward	07 12 11	05 12 11	00 00 00	02 00 00
	ward	08 11	08 11	00 00	00 00
	ward	07 11	06 11	00 00	01 00
	ward	04 09 11	03 08 11	01 00 00	00 01 00
	ward	08 11	08 11	00 00	00 00
	ward	11 01	11 01	00 00	00 00
	ward	08 01 11	08 01 10	00 00 01	00 00 00
	ward	07 11	06 10	01 01	00 00
	ward	01 11	01 11	00 00	00 00
	ward	08 11	07 11	01 00	00 00
	ward	01 11	01 11		
	ward	07 11 01	06 11 01	00 00 00	01 00 00
	ward	08 11	07 11	01 00	00 00
	ward	08 11 01	07 11 01	01 00 00	00 00 00
	PR	12 11	12 11	00 00	00 00
	PR	08 11	08 10	00 01	00 00
	PR	11	11	00	00
	PR	04 11	02 11	02 00	00 00
	PR	09 11	05 11	01 00	03 00

Ward number					
	Surname	Full names	full time/ Part time FT/PT	Committee Allocated	
37	Mmutle	Thabo Nelson	PT	Head Planning Council EXCO	
38	Matsepe	Thapelo Stephina	PT	Finance. Council	
39	Makunyane	Hlako Justice	PT	MPAC-Chairperson Council	
40	Mashilo	Malope Samaria	PT	Head Community Services Council EXCO	
41	Phetla	Mannyana Grace	PT	Head Executive Support Council	
42	Makitla	Ramotlogeli Johannes	PT	Planning Council	
43	Mogotji	Fanie Motshele	PT	Executive Support Council	
44	Madondo	Vernatia-Claudia Philile	PT	Rules and Petitions Council	
45	Mohlala	Moses Themba	PT	MPAC member Council	
46	Alberts	Rots	PT	Infrastructure council	
47	Mathebe	Chipane Norman	PT	Community Services Council Planning	
48	Tshivhula	Murathi Pat	PT	Corporate Services Council Ethics	
49	Kotze	Johan Pieter	PT	Finance. Council	
50	Hlathi	Margaret Zodwa	PT	council	
51	Shai	Kweletsi Collen	PT	EXCO Council	
52	Lecheko	Virginia Morotse	PT	Planning Council	
53	Ngwenya	Zodwa	PT		
54	Ntuli	Mamotale Brenda	PT	Council Infrastructure	
55	Mosotho	Mooimane Tatane	PT	Council Planning	

	Ward and /or Party represented	No of meetings held	no. of meetings attended	No. of apologies for non-attendance	No of Absence without leave
	PR	08 11 12	04 10 12	02 01 00	02 00 00
	PR	07 11	06 11	00 00	01 00
	PR	09 11	09 11	00 00	00 00
	PR	07 11 12	06 10 12	01 01 00	00 00 00
	PR	01 11	01 11	00 00	00 00
	PR	08 11	05 10	00 00	03 01
	PR	01 11	01 10	00 01	00 00
	PR	01 11	01 11	00 00	00 00
	PR	09 11	09 11	00 00	00 00
	PR	08 11	02 10	00 01	06 00
	PR	07 11 08	03 10 02	00 01 00	04 00 06
	PR	08 11 04	03 11 04	00 00 00	05 00 00
	PR	07 11	04 11	02 00	01 00
	PR	11	11	00	00
	PR	12 11	05 09	02 02	05 00
	PR	08 11	07 10	01 01	00 00
	PR	11	11	00	00
	PR	11 08	11 04	00 01	00 03
	PR	11 08	10 00	00 00	01 00

Ward number					
	Surname	Full names	full time/ Part time FT/PT	Committee Allocated	
56	Ranala	Maselopi	PT	Council Executive Support	
57	Ntheko	Tshepo Mokgobo	PT	Council	
58	Mthombeni	Vensile Lea	PT	Corporate Services Council Ethics	
59	Maloba	Alpheus Matome	PT	Community Services Council EXCO Rules and Petitions	
60	Ramphisa	Motiba William	PT	Council	
61	Matunyane	Nthabiseng Topsision	PT	Finance. Council Finance	

	Ward and /or Party represented	No of meetings held	no. of meetings attended	No. of apologies for non-attendance	No of Absence without leave
	PR	11 01	10 00	00 00	01 00
	PR	11	11	00	00
	PR	08 11 04	02 10 02	05 01 02	01 00 00
	PR	07 11 12 01	03 11 07 01	04 00 04 00	00
	PR	11	08	03	00
	PR	07 11 07	03 10 04	00 01 03	04 00 00

APPENDIX B - COMMITTEE AND COMMITTEE PURPOSE

Committees (other than Mayoral/Executive Committee) and Purposes of Committees	
Municipal Committee	Purpose of Committee
Corporate Services Committee	Addressing relevant issues and reports
Infrastructure Committee	Addressing relevant issues and reports
Finance Committee	Addressing relevant issues and reports
Social Development Committee	Addressing relevant issues and reports
Strategic Management Committee	Addressing relevant issues and reports
Development Planning Committee	Addressing relevant issues and reports
Local labour forum	Address all employer and employee related matters
Municipal public accounts committee	Oversight committee addressing AG report, financial reporting investigating items delegated by council
Executive Committee	Give political direction to executive management and report to council
Rules and ethics	Investigates reports of unethical conduct, formulates rules and principles, and recommends actions on ethical issues
Programming	Deals with all items submitted and determines which items must serve in portfolio committees and which one must serve in council without serving in portfolio committees
Local geographical names change(LGNC):	Deals with changing of street names within the municipal area

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

Designation	Initial And Surname	Gender
Municipal Manager	Ms R.M Maredi	Female
Director: Executive Support	Vacant	-
Director: Corporate Services	Mr. A. Mayimele	Male
Director: Infrastructure	Ms N.R Makgata	Female
Chief Financial Officer	Mr. P. G. Mapheto	Male
Director: Community Services	Ms. G. E. Kegopotsemang	Female
Director: Development Planning	Mr. N. W. Phala	Male
Manager: Property Management and Housing	Mr. R Palmer	Male
Deputy Chief Financial Officer	Mr L. Sebelemetja	Male
Manager: Mayor Support	vacant	-
Manager: Assets	Mr. C. Tjiane	Male
Manager: Council Support	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: Roosenekal	Vacant	-
Manager: Motetema	Mr. C Masemola	Male
Manager: Human Resources	Mr. L. Mafiri	Male
Manager: Administration	Mr. G Ditshego	Male
Manager: ICT	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: Public Safety	Mr. C Coetzee	Male
Manager: Roads	Vacant	-
Manager: Licensing	Mr. M. M. Mokganyetji	Male
Manager: LED	Mr. M Sebei	-
Manager: IDP	Mr. J Motha	Male
Manager: PMU	Mr. F Debeila	Male
Manager: PMS	Ms P Mdluli	Female
Electrical engineer	Mr K.K. Mametsa	Male
Chief Risk Officer	Mr K. Mathebe	Male
Manager: Development and Town Planning	Mr B.O Sethojoa	Male
Manager: Internal Audit	Ms. V. Mokoale	Female
Manager: Fleet	Mr. V. Masilela	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 related matters	yes	
Storm water 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
Beaches and amusement facilities	no	
Billboards and the display of advertisements in public places	yes	
Cemeteries, funeral parlours and crematoria	yes	

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (yes/no)
Constitution, Schedule 4, Part B Functions		
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

WARD BASED MEETINGS

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 Mphela M.A	Yes	11	11	4
	Ward Committee				
	Julia Maredi				
	Thereso Maleka				
	Jane Sibiloane				
	Martha Nxumalo				
	junior Thethe				
	Anges Mmotong				
	Innocent Skhosana				
	Samual Phasha				
	Christa kotelo Mabodika				
	Kgati Maepa				
Ward No 02	Cllr Phatlane A	Yes	5	5	1
	Ward Committee				
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot Moruti				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
	Boroko Kodisang Mathews				

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 03	Cllr Mamakoko M.L	Yes			
	Ward Committee	Yes	5	5	1
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot Moruti				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
	Boroko Kodisang Mathews				
Ward No 04	Cllr Moima L.M	Yes	5	5	1
	Ward Committee				
	Dipuo Mashabela				
	Lebogang Dinba				
	Kanyane Mphahlele				
	Lefelane Mokgwajane				
	Fatima Thabethe				
	Selina Matlou				
	Lucas Mathimunyane				
	Kenneth Malapele				
	Anges Ramphisa				
	Israel Malapela				

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 05	Cllr Makweoane	Yes	2	2	1
	Ward Committee				
	Violet Mashigo				
	Fannie Nkambule				
	Lebogang Sefako				
	Sharleen Mphake				
	Mankwe Mokgabudi				
	Petrus Matentshi				
	Mapaseka Mokgabudi				
	Leshate Mashabela				
	Nelson Mogano				
	Thili Lepota				
Ward No 06	Cllr Ndlovu R.N	Yes	7	7	2
	Ward Committee				
	Thethan Mahlangu				
	Ntombi Mahlaba				
	Nokuthula Reginah				
	Winile Ndlangamandla				
	Zakhele Hlathi				
	Sipho Mandlazi				
	Adelaide Limakwe				
	Elizabeth Mpshe				
	Delisa Joseph				
	Popi Mashego				

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 07	Cllr:Phala Lucas	Yes	7	7	2
	Ward Committees:				
	Philimon Moshiga				
	Brenda Phasha				
	Nomsa Sibeko				
	Glass Makatelele				
	Jan Mtshweni				
	Busisiwe Magolego				
	Tebogo Mokgoadi				
	Ericca Makuwa				
	Benjamane masweu				
	Simon Thipe				
Ward No 08	Cllr Ratlou S.W	Yes	5	5	1
	Ward committees				
	Charlotte Mogudi				
	Moshingwaneng Ditshego				
	Isaiah Mahlangu				
	Annah Wessels				
	Friedah Phetla				
	Bangiswane Mthombeni				
	Ditsheso Mokotedi				
	Albert Mafa				
	Elias Mamohlale				
	Gloria Rahlogo				

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 09	Cllr Ratau R.M	Yes	1	1	0
	Ward Committees:				
	Elijah Ntombela				
	Isaac Makofane				
	Mafa Mashinini				
	Sebongile Mohlape				
	Coshiwe Nkambule				
	Eric Nkosi				
	Louisa Masilela				
	Fortune Tsholofelo				
	Aaron Mtshweni				
	Joseph Manzini				
Ward No 10	Cllr Madisa K.F	Yes	3	3	0
	Ward Committees:				
	Rita Rahlogo				
	Mathebe Rebbeca				
	Katlego Sifoleshe Madire				
	Modupi Mohlamanyane				
	Ivy Madisa				
	Nkele Zodwa				
	Simon Kgaladi				
	Mathebe Buti				
	.Malefahlo Mokgase				
	mohlamonyane Motsumi				

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 11	Cllr Namane G.R	Yes	0	0	0
	Ward Committees:				
	1 Wonderboy Cekhu				
	2 Delane Mugeru				
	3 Eleoner Matlou				
	4 Sepadi Mampuru				
	5 Malelula leepo				
	6 Samora Madisa				
	7 Rina Mutha				
	8 Moses Mafiri				
	9 Thobile Mathibedi				
	10 Anges setoto Magopa				
Ward No 12	Cllr Phorothoe	Yes	10	10	3
	Ward Committees				
	Mmadisele Mathebe				
	Moleme Podile				
	Mmalehu Mohlala				
	Mothaku Namane				
	Calvin Mathunyane				
	Elizabeth Monageng				
	Doctor Nakedi				
	Alfred Makitla				
	Betty Mathebe				
	Klass Mathebe				

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 13	Cllr Oosthuizen W.N.S	Yes	0	0	0
	Ward Committees:				
	Martin Coetsee				
	Dirk Hessels				
	phochanaD.M				
	Maria D.Fourie				
	J.H Mmakole				
	Dirk Walker				
	T.S Matsomane				
	A.J Schombee				
	Franska Kleinhans				
	Shaun A.Mellors				
Ward No 14	Cllr: Bogopa B	Yes	10	10	3
	Ward Committees:				
	Bareng Mphahlele				
	Phakwane Mareng				
	Moses Boshielo				
	Chikane Kgorutle				
	Makeke Mantwa				
	Dipou Matlala				
	Stepen Maleka				
	Jaremia Phetla				
	Enock Ramoispa				
	Maggie Isa				

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 15	Cllr: Mahlangu J	Yes	3	3	1
	Ward Committees:				
	Lucas Zwane				
	Rinah Mahlangu				
	Job Tshepo Mokwena				
	Sbongile Nkosi				
	Sibongile Masilela				
	Mpho Skosana				
	Johannah Mashiya				
	Malehu Mokoana				
	Jan Masimula				
	Msanomnlane Mahlangu				
Ward No 16	Cllr: Zulu B.M	Yes	1	0	0
	Ward Committees				
	Mapule Mokgolokgotho				
	Jabulane Mahlangu				
	Sarah Skosana				
	Fanie Makua				
	December Msitsa				
	Sinah Mahlangu				
	Maria Mthimunyane				
	Nick Mgidi				
	Khomotso Maphosa				
	Kodin Skhosana				

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 17	Cllr: Ratau T.T	Yes	6	6	2
	Ward Committees:				
	Irene Mokwana				
	Moetana Mohlala				
	Rankepile Mabelane				
	Kagiso Mabelane				
	Gabriel Magashula				
	Moeti Mkhondo				
	Motlalepule Madihlaba				
	Freddy Nkadimeng				
	Andries Hlabishe				
	Annah Masemola				
Ward No 18	Cllr: Machipa T.A	Yes	0	0	0
	Ward Committees:				
	Martha Mohlahlo				
	Jamis Chego				
	Maria Tshehla				
	Mojalefa Rankwe				
	Tumishi Mohlahlo				
	Annah Mnguni				
	Elsa Fenyane				
	Sydney Phetla				
	Shemeng Mtshweni				
	Maria Makuwa				

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 19	Cllr: Masimula P	Yes	5	5	1
	Ward Committees:				
	Sophi Masemola				
	Amos Gabril				
	Sinkie Skosana				
	Ranapo Chigo				
	Rose Mtshweni				
	Sophie Masimula				
	Shabangu Dlabaphi				
	Getrude Mashiane				
	Mahlangu Khonzepi				
	Nkosinathi Machuka				
Ward No 20	Cllr Skhosana W.J	Yes	5	5	1
	Ward Committees:				
	monica Madihlaba				
	Lina Makaleng				
	Felicia Mokoana				
	Zodwa Mkwena				
	Nteseng Madihlaba				
	Patricia Sekgala				
	Shima Monaledi				
	thabo Skosana				
	Debora Maredi				
	Thapedi letageng				

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 21	Cllr: Makeke G.M	Yes	11	11	3
	Ward Committees:				
	1 Mavis Theresia Mthimunye				
	2 David Skhosana				
	3 Joel Mohlahlo				
	4 Khoza Dipuo				
	5 Kate Matenchi				
	6 Lejatau Seroka				
	7 Elsie Mamonyane				
	8 Sonnyboy Sekele				
	9 Dorcas Makeke				
	10 Motlapele Nkgudi				
Ward No 22	Cllr Matsepe M.M	Yes	10	10	3
	Ward Committees:				
	Mathibela Mashego				
	Annah Radingwana				
	Frans Mdebele				
	Tebogo Tau				
	AB Kgama				
	Thabo Radingwana				
	Leah Tshoma				
	Jan Mashilanwako				
	Patrick Moramaga				
	lindiwe Maleka				

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 23	Cllr:Mahlangu Nomsa	No	0	0	0
	Ward Committees:				
Ward No 24	Cllr: M.M	Yes	11	11	4
	Ward Committees:				
	Isaac Maladi				
	Mpotsing Mtshweni				
	Prince Maloma				
	Meshack Thobejane				
	Dorothy Makeke				
	Maputana Moloko				
	Martha Monareng				
	Thabeng Nyalungu				
	Elizabeth Mathunyane				
	Amos Tshoma				

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 25	Cllr: Maphoha E.M	Yes	6	6	1
	Ward Committees:				
	Jane Lekal				
	Makgadi Malatji				
	Sarah Makuwa				
	Victoria Rangwaga				
	Lerato Skosane				
	Jack Motsana				
	Reneilwe Rampedi				
	khomotso Ramphisa				
	Francinah Mampuru				
	Thobole Matsepe				
Ward No 26	Cllr:Motlafe M. G	Yes	4	4	1
	Ward Committees:				
	Sepedi Mohlala				
	Mmantwe Tagane				
	Matlakala Knowledge				
	Tebogo Magampa				
	Deborah Mashabela				
	Dazie Msiza				
	Amos Chabedi				
	Mapule Mmuledi				
	Karabo Matshingwane				
		1 Mmabatsheleng Matsepe			
	Matladi Tshepho				

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 27	Cllr: Mokwane M.K	Yes	6	6	1
	Ward Committees:				
	Job Matladi				
	Lebogang Choma				
	Tebatso Sihlangu				
	Morithi Motlafi				
	Dudu Mokadi				
	Frans Tlaka				
	Tshidi Tswaana				
	Thabo Makuwa				
	Caroline Mantsolo				
	Thandi makuwa				
Ward No 28	Cllr:Maipushe S.M	Yes	0	0	0
	Ward Committees:				
	Klass Maredi				
	Modupi Fenyane				
	Evah Matuludi				
	Prudence Skosana				
	Pratck Tladi				
	Rachel Mohlala				
	Amos Ntobeng				
	Sarah Pheladi				
	Lucas Aphane				
	Victor Seopela				

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 29	Cllr: Malatji M.N	Yes	11	11	3
	Ward Committees:				
	Thuso Makuwa				
	Reginah Makuwa				
	Lindiwe Mahlangu				
	Kgaogelo Mashegoane				
	Diale Motla				
	Ngwananoka Nkadimeng				
	Victor Diago				
	Thabang Fenyane				
	Gautana Matsumane				
	Lazarus Rakgalakane				
Ward No 30	Cllr: Kgopa K.S	Yes	7	7	2
	Ward Committees:				
	Ammina Magakwe				
	Sebutjwane Maduna				
	Seraki Motsta				
	Jim Molapo				
	Bongji Maabane				
	Thabiso Matenji				
	Mahlonoko Riba				
	Patricia Mokwena				
	Sinky Kodi				
	Lina Masango				
Ward 31	Cllr : Msiza M.R				
	Ward Committee	Yes	7	7	7

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
	Gladys Maake				
	Kgaogelo Dikotope				
	Alfred Manasoe				
	Moses simpho				
	Peter Tsokela				
	Lombard Mamogobo				
	Lebogang Mpunga				
	Ramosohlo Kgongane				
	Enny Matsepe				
	Prince Thobejane				

APPENDIX F - WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2016/2017 (Full List in Appendix L)				
R'000				
Ward No	Project Name & Detail	Start Date	End Date	Total Value
13	Karnaal road	July 2015	June 2017	R15,500 000
19	Mathula road	July 2015	June 2017	R20,116,062
22	Mogaung road	July 2015	June 2017	R20,900 000
20	Monsterlos to makgopheng road	July 2015	June 2017	R45,634,830
26	Road to Magoshi: Rammupudu	July 2015	June 2017	R27,297,273
15	JJ Road: Zaaiplaas bus route	July 2015	June 2017	R47,421,210
30	Laersdrift bus route	July 2015	June 2017	R23,593,338

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<p>2.1. FINANCIAL MANAGEMENT:</p> <p>2.1.1. DRAFT ANNUAL FINANCIAL STATEMENTS 2015/2016:</p> <p>The Audit Committee had an opportunity to review the draft 2015/2016 annual financial statements on the 16th and 29th of August 2016 and recommended as follows:</p> <ul style="list-style-type: none"> Review the policies on the financial statements and ensure that they are relevant to the municipality. Engage Treasury on write offs Take out notes that are not applicable to the municipality Review referencing of notes <p><u>Index Page:</u></p> <ul style="list-style-type: none"> Audit Committee commented that they noted that "IAS" stated under abbreviations does not find expression in the financial statements, and if it is not used in the document then it should be taken out. Audit Committee recommended that it should be stated under the accounting policy that in situations where GRAP is not used, IAS will be used. On page 3, abbreviations add the following abbreviations- VAT; PAYE; UIF. On page 4, (Accounting Officer's responsibility) remove the word "<u>on its behalf</u>". <p>On page 5 (Audit Committee report) recommendations as follows:</p> <ul style="list-style-type: none"> The report of the old Audit Committee should reflect from the 1st of July 2015 to 31 December 2015 and for advocate Kholong the number of meetings attended should be corrected. The new Audit Committee members should reflect from the date of 04 January 2016 to 30 June 2016 under the financial year 2015/2016. Next to chairperson (Ramutsheli) 1 special meeting attended should be removed as it was a management meeting that was attended and not an Audit Committee meeting. A table should be used to indicate number of meetings attended outside case-ware. Number of ordinary meetings for Adv Kholong should be added because it's missing. Number of meetings attended by Adv Nke should be (2:5) Next to Adv Thipe the word "Mr. Adv" should be corrected to be Adv Thipe and remove "Mr." 	Yes

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<ul style="list-style-type: none"> <input type="checkbox"/> Consistency on Mr. Mathabathe the dots should be standardized. <input type="checkbox"/> The paragraph on internal audit should be separated from risk management. <input type="checkbox"/> The wording under risk management committee should read "risk management was partially effective". <input type="checkbox"/> Performance management of Audit Committee should be included in the report <input type="checkbox"/> The wording on the vacancy of the chief audit executive should be removed. <input type="checkbox"/> The bullet should be added as the sixth point on the paragraph that reads "Audit Committee reviewed performance management of the Municipality". <input type="checkbox"/> On the new committee member add "S" to be new committee members. <input type="checkbox"/> The word "entity" should be reviewed to be "entities". <input type="checkbox"/> The paragraph that reads verified should be indicated as "reviewed" <p>On page 7 Accounting Officer's report- the Audit Committee recommended as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sentence on surplus and deficit should be part of a going concern not as a stand-alone paragraph. <input type="checkbox"/> The narration on main business and operation should be included and the net surplus should be included. <input type="checkbox"/> Paragraph 3 (Events): the inauguration of the new Council was constituted on the 19th August 2016 and it should be added to the AFS under Subsequent Events section as this was an event which occurred after 30 June 2016 financial year date. An indication can be made that it does not have an impact on the changes on the AFS. <input type="checkbox"/> Paragraph 6: it should reflect what is being transferred to the Municipality which will form part of the 2016/2017 (financial year) which will be part of Subsequent Events. <input type="checkbox"/> The Municipality should state that we are still in a process of finalizing the transfer of ownership of the assets from Nkangala as a work in progress either as subsequent event or place a note on the fixed asset register. <input type="checkbox"/> The total value of the assets should be included as part of land and building. <input type="checkbox"/> The "S" on the accounting officers should be removed. <input type="checkbox"/> The two chairpersons should be included in the report for completeness, and also their names and terms. 	Yes

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<p>Statement of financial Position:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Note 09 should be unpacked to list all types of inventory. <input type="checkbox"/> Audit Committee requested clarity on the huge drop on VAT receivable. <input type="checkbox"/> CFO indicated that it is because of restatements on the statement of financial position. <input type="checkbox"/> Audit Committee requested clarity on the total value of investment property on page 53 (Land) <input type="checkbox"/> CFO indicated that market demand have a system that can reflect the location of the asset of the Municipality. <input type="checkbox"/> Note number 9: Accounting policy on page 37 indicated that the accounting policy should be on a cost method not weighted average. <input type="checkbox"/> Note number 10: on page 56 consumer and other debtors Audit Committee asked if they are non-exchange or exchange it should be specified. <input type="checkbox"/> Note number 11: on page 56, the I-GRAP note should be indicated and be included. <input type="checkbox"/> Note number 13: on page 57, the impairment should be reflected <input type="checkbox"/> CFO indicated that impairment has a provision and activities that have been undertaken to arrive at the impairment and the notes should reflect how the impairment was arrived at. <input type="checkbox"/> Audit Committee requested that on page 60, management should expand what ratio on liquidity was used. <input type="checkbox"/> Page 27; add the word "method" to be revaluation method. <input type="checkbox"/> Page 53; there is no profit or loss on assets; that should be corrected. <input type="checkbox"/> Page 54, the transfer should be zero and the classification of transfers should be reflected. <input type="checkbox"/> Note 4 on page 54 (heritage assets) the two GRAP standards should be changed to be either additional or transfer. <input type="checkbox"/> CFO indicated that on caseware it was other changes on the last year AFS and it's a default heading. <input type="checkbox"/> Audit Committee recommended that the nature of heritage assets should be classified. <input type="checkbox"/> Audit Committee recommended that the subsequent measure on the intangible assets should be included. <input type="checkbox"/> Note 7 and 8, page 56 note 7 and 8 should have different heading to differentiate and the mini-recon should be done. 	Yes

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<ul style="list-style-type: none"> <input type="checkbox"/> Note 11; Audit Committee requested clarity on what type of fines are they. <input type="checkbox"/> CFO indicated that it's the traffic fines. <input type="checkbox"/> Note 20; page 63, Audit Committee requested clarity on the electricity and what is it reflecting to and that should have a narration. <input type="checkbox"/> CFO indicated that is for electricity connections. <input type="checkbox"/> Note 28 (page 67) Audit Committee requested clarity on the leave payout. <input type="checkbox"/> Municipal Manager indicated that leave payout was for employees who terminated their service with the Municipality and who passed way. <input type="checkbox"/> Note 21 (page 63) Audit Committee recommended that the explanation on the interest received – investment should have explanation where it is derived from and be changed to be interest received (revenue). <input type="checkbox"/> On page 12, Audit Committee requested explanation on how the finance cost was arrived at. <input type="checkbox"/> CFO indicated that the cash flow is still a work in progress and that the final figures of cash flow will result in a correct version of the finance costs. <input type="checkbox"/> Audit Committee requested that Note 17 (page 62) other financial liabilities should be detailed on how it was arrived at and it should be classified as operating lease assets. <input type="checkbox"/> Note 33, Audit Committee recommended that the note be the same on the statements. <input type="checkbox"/> Audit Committee recommended that our notes should be detailed on license and permits and rental of facilities and equipment. <p><u>Statement of financial performance (page 10):</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee recommended that disclosures on page 72 note be made available on the biological assets. <input type="checkbox"/> Audit Committee recommended that contingency liabilities should be included in the AFS and the note should be listed and be detailed. <input type="checkbox"/> Note 44, Audit Committee requested explanation on what is related parties. <input type="checkbox"/> CFO indicated that Councilors and post employees are our related parties and they are related. <input type="checkbox"/> Municipal Manager indicated that GRAP be looked at to check what is meant as related parties. <input type="checkbox"/> Page 75, note 44 the referencing is not correct and should be corrected. <input type="checkbox"/> Note 44, the wording "overpayment to the Mayor" should be removed. 	Yes

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<ul style="list-style-type: none"> <input type="checkbox"/> There is no notes on the contracted services but only general expenses on note 35. <input type="checkbox"/> Audit Committee requested clarity on the huge increase on printing and stationery. <input type="checkbox"/> Municipal Manager indicated that printing and stationery was combined together and it is one line item. <input type="checkbox"/> Audit Committee requested clarity on the huge increase on telephone. <input type="checkbox"/> CFO indicated that it includes the amount of cell phones and the amount paid to Telkom. <input type="checkbox"/> The repairs and maintenance should have a note on page 10. <input type="checkbox"/> Audit Committee requested explanation on the electricity distribution losses on page 78 (note 51). <input type="checkbox"/> CFO indicated that the loss is for electricity for Rossenekaal. <input type="checkbox"/> Municipal Manager indicated that management and political leadership has engaged the residence of Rossenekaal and that an improvement on this matter is expected. <input type="checkbox"/> Audit Committee recommended that an explanation should be made on the increase of electricity distribution loss. <input type="checkbox"/> Audit Committee requested an explanation on the car allowance on the salary package of the Mayor as zero for 2016. <input type="checkbox"/> Management responded that since the Mayor is provided with the Municipal vehicle, she could not also benefit for the car allowance on the salary package. <input type="checkbox"/> Page 64 (note 25) the income forgone the note should be explained/ expanded. <input type="checkbox"/> Page 61 (note 30) depreciation and amortization should be removed. <input type="checkbox"/> Page 73 (note 40) stated as disposal of: a significant asset or a group of assets and liabilities- should be removed <input type="checkbox"/> Page 76 (note 46) should state after how long can that be recovered. <input type="checkbox"/> For liquidity risk-state recovery period. <input type="checkbox"/> The back payment of councilor should have a note / explanation. 	Yes

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<p>2.1.2. ASSET REGISTER:</p> <p>The Audit Committee took note of the report on the progress as reported by the CFO on the asset register improvement program for the fourth quarter of 2015/2016 and recommended that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Findings raised by the internal audit independent reviewer be addressed before finalizing the asset register for the financial year of 2015/2016. <p>2.1.3. IRREGULAR/WASTEFUL/UNAUTHORIZED EXPENDITURE 2015/2016:</p> <p>The Audit Committee reviewed the report on the 4th quarter irregular/wasteful/unauthorized expenditure given by management and took note of the report of wasteful and fruitless expenditure amounting to a total of R 5 782.39.</p> <p>2.1.4. DEBT COLLECTION REPORT 2015/2016:</p> <p>The Audit Committee reviewed the report on the 4th quarter 2015/2016 debt collection and recommended that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Discussions should be initiated from the interrelations department for intergovernmental debts. <p>2.1.5. SUPPLY CHAIN MANAGEMENT:</p> <p>Supply Chain Management (SCM) reports for the months April 2016 to June 2016 were reviewed by the Audit Committee and recommended that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The proper description on the reason for deviations be provided. <input type="checkbox"/> Audit Committee has a concern with the transactions that do not qualify as deviations yet they are accepted and approved as deviations. <input type="checkbox"/> The CFO should advise the Municipal Manager with all deviations/ratifications before they are submitted to Municipal Manager for approval and CFO should assist by declining all deviations that do not fall under the definition of deviations. <input type="checkbox"/> Deviation/ratification checklist can be developed and be used going forward as a guide of what actually constitute a deviation. <p>2.1.6. PROGRESS ON AGSA ACTION PLAN FOR THE 2014/2015 AG REPORT (INCLUDING MANAGEMENT LETTER FINDINGS)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Management should expedite the completion of datasheets by the end of July 2016. <input type="checkbox"/> Manager PMS should assist respective directorates with the completion of datasheets and a meeting with each senior manager should be arranged to complete the datasheets before the 30th July 2016. <input type="checkbox"/> Audit Committee recommended that management report findings should form part of the audit report action plan to ensure that all control weaknesses are given attention by management. 	Yes

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<p>2.2. PERFORMANCE INFORMATION:</p> <p>2.2.1. 2015/2016 DRAFT ANNUAL PERFORMANCE REPORT:</p> <p>The Audit Committee reviewed the draft 2015/2016 annual performance report and noted report by Internal audit on the 4th quarter performance information and recommended as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> That challenges on the report should be revised and be based on process, people or finances. <input type="checkbox"/> The report should be fully aligned to the budget. <input type="checkbox"/> For the AG Action plan-finance should not write that the finding will be resolved retrospectively as they should focus on correcting what has been done <input type="checkbox"/> Upgrading of landfill site under community service the progress should be changed to not achieve as they have stated that there is only an appointment and the actual work has not been done yet. <input type="checkbox"/> CFO to look at operating expenditure overspent for community services and corporate services departments. <ul style="list-style-type: none"> o The Audit Committee was concerned about the under achievement of objectives of 54% by the Community Services department. The main reason for this under achievement of objectives was indicated as delays on the procurement process and budget related issues. o The Audit Committee advised that the procurement process should be commenced early in the financial year. o The Audit Committee indicated that 54% achievement is not acceptable o Projects that need procurement should be identified and start early with the procurement process <input type="checkbox"/> For Infrastructure department- <ul style="list-style-type: none"> o The Audit Committee congratulated the department for percentage of 100% spent on MIG and for achieving 76% on performance being the 3rd out of all departments. o The eleven speed humps Projects stated as not applicable should be corrected to state not achieved as they were planned projects and challenge should be stated that the funds were moved. <input type="checkbox"/> The Audit Committee congratulated the finance department for achieving 83% on the performance report being the highest percentage of all departments. 	Yes

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<p>2.3. <u>CORPORATE SERVICES:</u></p> <p>The Audit Committee reviewed and took note of the 4th quarter of 2015/2016 Human Resource report and recommended as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> That the human resource capacity on the human resource vacancy report should be aligned to the organizational structure of the human resource report submitted. <input type="checkbox"/> Audit Committee asked if Corporate Services will provide the litigation information/report (contingent liability report) to the service provider who is conducting audit on litigation. <input type="checkbox"/> Audit Committee recommended that the council resolution implementation report be submitted to internal audit fully completed. <p>2.4. <u>INFRASTRUCTURE DEPARTMENT REPORT:</u></p> <p>The Audit Committee received the MIG implementation plan and capital projects reports from the Infrastructure Department and recommended as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee recommended that management should include a summary on the projects i.e. MIG and INEP projects. <input type="checkbox"/> Audit Committee requested a report on the expenditure paid reflected as 106% paid to the terminated contractor and including expenditure paid to the current contractor and the variation report if it was approved by council be submitted in the next meeting for Moteti "A" project. <p>2.5. <u>INTERNAL AUDIT:</u></p> <p>2.5.1. DRAFT 2016/2017 INTERNAL AUDIT AND AUDIT COMMITTEE CHARTER:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee approved the 2016/2017 internal audit charter and recommended the audit committee charter for council approval. <p>2.5.2. DRAFT 2016/2017 INTERNAL AUDIT METHODOLOGY:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee approved the 2016/2017 internal audit methodology. <p>2.5.3. PROGRESS REPORT ON INTERNAL AUDIT ANNUAL PLAN 2015/2016:</p> <p>The report was presented by Manager Internal Audit on the progress on Internal Audit Annual Plan for the year 2015/2016 and the Audit Committee notes that the plan for 2015/2016 will be completed by internal audit with infrastructure department, risk management draft 2015/2016 financial statements and asset management review still in progress on the date of the report.</p> <p>2.5.4. INTERNAL AUDIT REPORTS:</p> <p>Internal Audit reports received for review included reports of work done in the 4th quarter of 2015/2016 as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 4th quarter performance report 	Yes

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Council	Committee Recommendations During 2016/2017	Recommendations Adopted (enter Yes); not adopted (provide explanation)
29 September 2016	<ul style="list-style-type: none"> <input type="checkbox"/> Supply Chain Management 2015/2016 <input type="checkbox"/> Mid-year financial statements review (lease qualification issue and opening balances) <input type="checkbox"/> ICT Review 2015/2016 <input type="checkbox"/> Development Planning Review 2015/2016 <input type="checkbox"/> Internal Audit follow-up review report 2015/2016 <input type="checkbox"/> Follow up on external audit findings 2015/2016 <p>2.5.5. 2016/2017 DRAFT THREE YEAR STRATEGIC AND ANNUAL INTERNAL AUDIT PLAN:</p> <p>The Audit Committee reviewed the 2016/2017 draft three year strategic and annual internal audit plan and recommended as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee approves the 2016/2017 draft three year strategic and annual internal audit plan. Noting that the Infrastructure and the Corporate Services risk registers were not finalized yet. <input type="checkbox"/> When all the risk registers have been completed the 2016/2017 draft three year strategic and annual internal audit plan can be adjusted and brought back to the audit committee for review. <p>2.5. QUARTERLY ICT REPORT 2015/2016:</p> <p>The Audit Committee reviewed the 3rd quarter ICT report and recommended that:</p> <p>2.6.1. QUARTERLY ICT REPORT 2015/2016</p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee requested the ICT steering committee challenges report in the next meeting relating to issues of ICT risk. <input type="checkbox"/> Audit Committee indicated that the report on the virus that attacked the Municipality be referred back to the ICT steering committee and a report be presented to the audit committee from the ICT steering committee. <input type="checkbox"/> Audit Committee recommended that Mr. Mathabathe avail himself to Chair the ICT steering committee until an independent chairperson has been appointed. <p>2.6.2. PROGRESS ON ICT AUDIT ACTION PLAN (2014/2015):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Audit Committee expressed concerns on the issues that are not resolved and requested that management resolve the outstanding issues on the AG action plan. <input type="checkbox"/> Audit Committee took note of the action plan. 	Yes

APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long-Term Contracts (20 Largest Contracts Entered into 2016/2017)			
number	Description of services rendered by service provider	Name of service provider (entity of municipal department)	
1	Professional consultants for land surveyor and town planners	Pfukani-Kusile consulting	
2	Professional consultants for land surveyor and town planners	Mok Development	
3	Professional consultants for land surveyor and town planners	Black Dot Properties	
4	Professional consultants for land surveyor and town planners	Nhlatsi Planning Consulting	
5	Panel of Contractors for Construction of Various Roads	Betsekgadi Community Projects	
6	Panel of Contractors for Construction of Various Roads	Big Rock JV Kgwadi Ya Madiba	
7	Panel of Contractors for Construction of Various Roads	Casnan Civils	
8	Panel of Consultants	Dikgabo Consulting Engineer	
9	Panel of Consultants	Dolmen Engineers	
10	Panel of Consultants	Element Consulting Engineers	
11	Panel of Contractors for Construction of Various Roads	HM Eyethu/AL Mphago	
12	Panel of Contractors for Construction of Various Roads	Ibawula Trading Enterprise	
13	Panel of Contractors for Construction of Various Roads	Masekwameng Traders	
14	Panel of Contractors for Construction of Various Roads	Moleleki A Tlala Transport and Projects	
15	Panel of Consultants	Morwa Consulting Engineers	
16	Panel of Contractors for Construction of Various Roads	Patrick Makgoka Construction	
17	Panel of Contractors for Construction of Various Roads	Rekhuditse Construction and Cleaning Services	
18	Panel of Contractors for Construction of Various Roads	Servimode 62	
19	Panel of Contractors for Construction of Various Roads	Shatadi Developers	

Contract value	PERIOD			END USER DEPT
	Start date of contract	Expiry date of contract		
As per rates	13/07/2016	12/07/2018		Development Planning
As per rates	13/07/2016	12/07/2018		Development Planning
As per rates	13/07/2016	12/07/2018		Development Planning
As per rates	13/07/2016	12/07/2018		Development Planning
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	07/09/2015	07/09/2017		Infrastructure
As per rates	07/09/2015	07/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	07/09/2015	07/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure
As per rates	02/09/2015	02/09/2017		Infrastructure

Long-Term Contracts (20 Largest Contracts Entered into 2016/2017)			
number	Description of services rendered by service provider	Name of service provider (entity of municipal department)	
20	Panel of Contractors for Construction of Various Roads	Shirido Trading	
21	Panel of Contractors for Construction of Various Roads	Shonisani Rambau Construction	
22	Panel of Consultants	Sky High Jv Low Flow Consulting Engineers	
23	Panel of Consultants	Tlou Integrated Tech	
24	Panel of Consultants	Tumber Fourie Consulting Engineers	
25	Panel of Consultants	Vuka Africa Consulting Engineers	

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Not applicable

	Contract value	PERIOD			END USER DEPT
		Start date of contract	Expiry date of contract		
	As per rates	02/09/2015	02/09/2017		Infrastructure
	As per rates	02/09/2015	02/09/2017		Infrastructure
	As per rates	07/09/2015	07/09/2017		Infrastructure
	As per rates	07/09/2015	07/09/2017		Infrastructure
	As per rates	07/09/2015	07/09/2017		Infrastructure
	As per rates	07/09/2015	07/09/2017		Infrastructure

APPENDIX J - DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2016 - 30 June 2017		
Position	Name	Description of Financial Interest* (Nil/or details)
(Mayor)	Cllr: Mathebe L.J	Nil
Speaker	Cllr: Machipa T.A	Nil
EXCO members	Cllr:Matjomane G.D	Nil
	Cllr: Phatlane A	Nil
	Cllr: Mmutle T.N	Nil
	Cllr: Mashilo M.S	Nil
	Cllr: Phetla M.G	Nil
	Cllr: Maloba A.M	Nil
	Cllr: Shai K.C	Nil
	Cllr: Kotze J.P	Nil
		Nil
Councillors	51 councillors	
Municipal Manager	Maredi R.M	Nil
Chief Financial Officer	Mapheto P.G	Nil
Other S57 Officials		
Director Community Services	Kegopotsemang	Nil
Director Infrastructure	Makgata R	Nil
Director Corporate services	Mayimele A	Nil
Director Development Planning	Phala N.W	Phuthumanathi Shares Welkom Yizani Shares

APPENDIX K – REVENUE COLLECTION PERFORMANCE

Description	2014/15	Budget Year 2015/16			2015/16 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Budget	Adjusted Budget
Revenue By Source						
Property rates	19,271	26,182	24,797	22,395	14.5%	9.7%
Service charges	59,877	67,601	66,337	69,588	-2.9%	-4.9%
Interest earned - external investments	3,965	4,600	3,300	4,290	6.7%	-30.0%
Transfers recognised - operational	170,641	216,652	216,652	216,652	0.0%	0.0%
Other revenue	22,264	16,188	13,960	17,378	-7.3%	-24.5%
Total Revenue (excluding capital transfers)	276,019	331,224	325,046	330,303	0.3%	-1.6%
Expenditure By Type						
Employee related costs	102,669	115,256	106,109	112,151	2.7%	-5.7%
Remuneration of councillors	18,844	18,543	17,659	19,061	-2.8%	-7.9%
Depreciation & asset impairment	32,042	35,000	35,000	49,728	-42.1%	-42.1%
Finance charges	-	-	-	2,141	0.0%	0.0%
Materials and Bulk Purchase	53,540	65,430	67,759	69,966	-6.9%	-3.3%
Transfers and grants	1,832	3,300	1,900	313	90.5%	83.5%
Other expenditure	128,686	102,901	120,195	114,765	-11.5%	4.5%
Total Expenditure	337,613	340,430	348,622	368,125	-8.1%	-5.6%
Surplus/(Deficit)	(61,594)	(9,206)	(23,576)	(37,822)	-310.8%	-60.4%
Transfers recognised - capital	58,967	63,102	77,739	77,188	-22.3%	0.7%
Contributions recognised - capital	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	(2,627)	53,896	54,163	39,366		
Taxation	-	-	-	-		
Surplus/(Deficit) after taxation	(2,627)	53,896	54,163	39,366		
Attributable to minorities	-	-	-	-		
Surplus/(Deficit) attributable to municipality	(2,627)	53,896	54,163	39,366		
Share of surplus/ (deficit) of associate	-	-	-	-		
Surplus/ (Deficit) for the year	(2,627)	53,896	54,163	39,366		

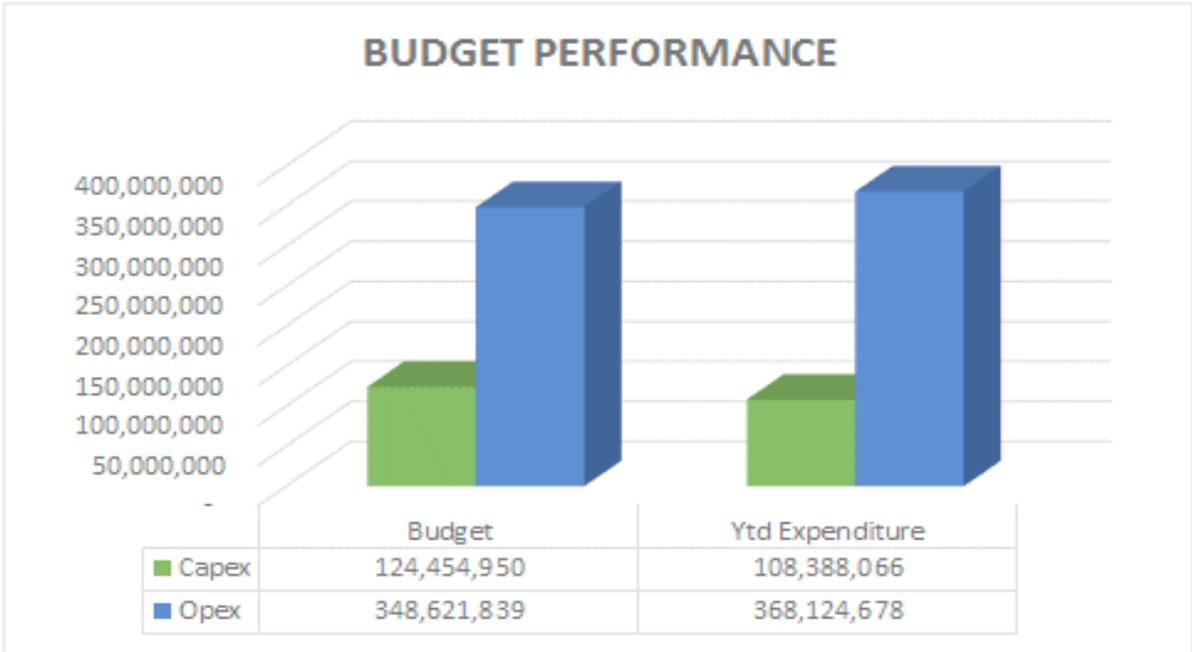
APPENDIX L - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						
R`000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Neighbourhood development Partnership grant				%	%	
INEP	R 13 million	R 13 million	R 13 million	0%	0%	Electrification
FMG	R1,6 million	R1,6 million	R1,6 million	0%	0%	Capacity building
MSIG	R 0.0	R 0.0	R 0.0	0%	0%	Systems improvement
Other: EPWP	R 1,163 m	R1,163 m	R 1.163 m	0%	0%	Job creation
Total	R15,763,000	R15,763,000	R15,763,000	0%	0%	

APPENDIX M CAPITAL EXPENDITURE NEW AND UPGRADE /RENEWAL PROGRAMMES INCLUDING MIG

CAPITAL EXPENDITURE

Graph 5: CAPITAL EXPENDITURE 2016/17



APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2016/2017

Capital Programme by Project 2016/2017 (,000)					
Capital Project	Original Budget	Adjustment Budget	Actual Expenditure	Variance (Act-Adj) %	Variance (Act-OB) %
Water					
District function					
Sanitation/Sewerage					
District function					
Electricity					
Electrification of Makaepa	1 500 000	1 754 400	1 311 952	25,22%	25,22%
Electrification of Tambo village	1 000 000	877 200	877 193	0%	0%
Electrification of Masakaneng	2 000 000	1 754 400	1 754 386	0%	0%
Electrification of Jabulani D3	2 000 000	1 754 400	1 754 386	0%	0%
Electrification of Waalkraal A	1 500 000	1 316 000	1 499 575	-13,95%	-13,95%
Electrification of Elandsdoorn A	1 000 000	877 200	871 754	0,62%	0,62%
Electrification of Tshela Trust	1 000 000	877 200	736 315	16,06%	16,06%
Electrification of Dipakapakeng	1 500 000	877 200	1 311 952	-49,56%	-49,56%
Electrification of Matsitsi	500 000	438 600	483 395	0,05%	0,05%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2016/2017

Capital Programme by Project by Ward 2016/2017		
R'000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
District function		
Sanitation/sewerage		
District function		
Electricity		
Electrification of Matsitsi	18	Yes
Electrification of Makaepa	25	Yes
Electrification of Dipakapakeng	28	yes
Electrification of Tambo	09	Yes
Electrification of Jabulani D3	09	yes
Electrification of Waalkraal A	04	Yes
Electrification of Elandsdoorn A	11	Yes
Electrification of Masakaneng	14	Yes
Electrification of Tshehla Trust	30	Yes
Housing		
Cemeteries		
Roads & stormwater		
Development of Workshop	13	No
Marapong Bridge	09	Yes
Kanaal Street	13	Yes
Kgaphamadi Bus Road	21	Yes
Kgoshi Matlala	14	Yes
Kgoshi Rammupudu	26	Yes
Kgoshi Mathebe	10	Yes
Kgoshi Matspe	25	Yes
Laersdrift Bus Route	30	No
Mathula road	19	Yes
Mogaung Upgrade	22	Yes
Monsterlos to Makgopeng Phase 2	18	Yes
Naganeng Construction of Bus Road	14	Yes
Mpheleng Construction of Bus Road	05	Yes
Rehabilitation Roosenekal Roads & Streets	30	No
JJ Road: Zaaiplaas Bus route	15	Yes
Upgrading of Hlogotlou Stadium	20	No

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools & Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (Names, Locations)				
Not applicable	0	0	0	0
Not applicable	0	0	0	0

APPENDIX Q – 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 Acts 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 R - DECLARATION OF LOANS AND GRANTS MADE BY MUNICIPALITY

Declaration of Loans And Grants Made by Municipality 2016/2017

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CHAPTER 6
Cont



CLLR. H.J. MAKUNYANE
MPAC CHAIRPERSON



OVERSIGHT REPORT FOR THE 2016/2017 ANNUAL REPORT

OVERSIGHT REPORT FOR THE 2016/2017 ANNUAL REPORT

1. PURPOSE

To inform Council about the work of the Municipal Public Accounts Committee (MPAC) and to make recommendations to Council as required in terms of Section 129 (1) of the Local Government Municipal Finance Management Act 56 of 2003 on the draft 2016/2017 annual report.

2. BACKGROUND

In terms of Section 129 (1) of the Local Government Municipal Finance Management Act 56 of 2003, Council of a Municipality must consider the annual report of the Municipality by no later than two months from the date on which the annual report was tabled in Council in terms of Section 127, adopt an oversight report containing the Council's comments on the annual report, which must include a statement whether the Council:-

- (a) Has approved the annual report with or without reservations;
- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised.

In terms of section 121 (1) of the Local Government Municipal Finance Management Act 56 of 2003: the council of a municipality must within nine months after the end of financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

During council meeting of the 30 January 2018, the Mayor tabled the Draft 2016/2017 Annual Report as prescribed by Section 127 (2) of the Local Government: Municipal Finance Management Act 56 of 2003. In dealing with the tabled annual report, Council resolved inter alia:

1. "That council notes the audit report for 2016/2017 financial year.
2. That considers the draft Annual Report for the 2016/2017 financial year in its entirety including the auditor general's report, audit action plan developed to address the audit findings.
3. That council refer the draft annual report to MPAC for further consideration and evaluation within the provision of Treasury Circular No. 83 for oversight report.
4. That, as prescribed by Section 127(5) of the Local Government: Municipal Finance Management 2003 (Act 56 of 2003), the Accounting Officer ensures that the Annual report is made public in accordance with Section 21A of the Municipal Systems Act and that the local community are invited to submit representations in connection with the Annual Report, and that the annual report be submitted to the Auditor-General, the relevant Provincial Treasury and the provincial department responsible for local government"

3. ESTABLISHMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE. (MPAC)

During 2016, Elias Motsoaledi Municipal Council resolved to establish a Municipal Public Accounts Committee (MPAC) in terms of the provisions of the Local Government: Municipal Structures Act (Act 117 of 1998) and the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) to serve as an Oversight Committee to exercise oversight over the executive obligations of Council. In terms of SALGA's Practical Guide on MPACs (2012:10-14) the terms of reference for the MPAC include the interrogation of the following financial aspects addressed in the Municipal Finance Management Act

- 0) Unforeseen and unavoidable expenditure;
- (ii) Unauthorized, irregular or fruitless and wasteful expenditure;
- Oii) The quarterly report of the Mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP;
- Ov) Monthly budget statements;
- (v) Mid -year budget and performance assessment
- (vi) Mid - year budget and performance assessment of municipal entities - currently not applicable to Elias Motsoaledi Municipality;
- (vii) Disclosures concerning councilors, directors and Officials;
- (viii) Submission and auditing of Annual Financial Statements;
- (ix) Submission of the annual report;
- (x) Oversight report on the annual report;
- (xi) Issues raised by the Auditor - General in audit reports;
- {xii) Audit Committee;
- (xiii) Disciplinary action instituted in terms of the MFMA

The MPAC interrogate the following aspects addressed In the Municipal Systems Act:

- (xiv) Review of the IOP post elections;
- (xv) Annual review of the IOP;
- (xvi) Performance Management Plan;
- (xvii) Monitoring that the annual budget is informed by the IOP;
- (xviii) Monitoring that all declaration of interest forms are completed by councilors on an annual basis.

The MPAC committee constitutes of the following members:

PARTY	SURNAME	FULL NAMES	TITLE	GENDER
ANC	Makunyane	Justice	Chairperson	MALE
ANC	Phala	Lucas	Member	MALE
ANC	Mahlangu	Julia	Member	FEMALE
ANC	Makeke	George	Member	MALE
ANC	Motlafe	Girty	Member	FEMALE
BPSA	Mohlala	Moses	Member	MALE
EFF	Mthombeni	Venslle Lea	Member	FEMALE
ANC	Salminah	Mehlape	Member	FEMALE

Mechanisms for public participation process

Immediately after the annual report was tabled in Council, the Accounting Officer in accordance with Section 21A of the Local Government Municipal Systems Act 32 of 2000 made the draft annual report public. The following are mechanisms which were followed to ensure that the public viewing of the draft 2016/2017 annualreport was extensively published for public comments.

DATE	ACTIVITY
31 January 2017	The draft 2016/2017 Annual Report is uploaded on municipal website and made available in municipal offices, municipal library and Municipal Satellite Offices.

Messages inviting Ward Committees, CDWs, Traditional Leaders, Traditional Healers and Business people were sent through Ward Secretaries to attend Public hearings. Below are the programme for Public hearings.

OVERSIGHT VISIT PROGRAM

DATE	TIME	CLUSTER	VENUE
01/03/18	10h00	Cluster 1 From Ward 1 To 14	New Stand Sports City Ground Kgobokwane
02/03/18	10h00	Cluster 2 From Ward 15 To 31	Bafaladi Sports Ground Ramogwerane

Below are the processes undertaken by the MPAC in dealing with the report

Date	Purpose	Venue
8-9 February 2018	MPAC meeting with AG to interrogate and evaluate the Annual Report	Zebula Golf Estate
19 February 2018	MPAC to draft questionnaire to Management of their findings	MM's Boardroom
15 March 2018	Meeting with management to answer questions based on MPAC comment	MM's Boardroom
23-24 March 2018	MPAC Meeting with Municipal Manager/CFO	Thaba Moshate
26 March 2018	MPAC Meeting with EXCO	MMS Boardroom
27 March 2018	Compilation of oversight report by	In-house
29 March 2018	Submission of Oversight report to Council by MPAC	Council Chambers

Summary of comments on the draft 2016 / 2017 Annual Report

The MPAC believes that the draft 2016/2017 annual report reflects a substantial and positive improvement in municipal annual planning, budgeting and reporting processes. It is a significant improvement over the previous years' annual report. The annual report complies with the requirements of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA) and with National Treasury (NT) guidelines for annual reports.

MPAC notes that the draft annual report complies with Circular 63 of the MFMA as it contains the following:

Chapters	Details
01	Mayor's Foreword and Executive Summary
02	Governance
03	Service Delivery
04	Organizational Development Performance
05	Financial Performance
06	Audit General's Findings
07	Appendices and Volume : AFS

4. CHALLENGES AND PROPOSED SOLUTIONS

The table below shows challenges noted by the Committee during the public hearings and proposed solutions to these challenges;

FINDINGS NOTED BY MPAC

MPAC has noted that copies of the Performance Report does not reach the entire communities as envisaged. Community members are challenge by the language in which the reports are written (English only)	(1) Ward Councillors, through the assistance of ward committees, to convene community meeting where the objectives and purpose of the annual report are extensively discussed, in preparation for the MPAC's public participation (2) It is therefore recommended that a summary of the original document be translated to local languages
Lack of separation of power in Executive Support	(a) Council should adhere to the separation of powers (b) To separate administrative support given to the Mayor and the Speakers office by introducing two deputy Directors: One supporting the Mayor's office and the second one supporting the Speakers office.
Higher dependency on National grants	(a) The municipality to develop and implement the revenue enhancement strategy and to call revenue enhancement Imbizo
Section 79 not fully utilised	(a) To request council to rescind council resolution that allow section 79 to meet quarterly to meet monthly
Lack of sufficient funds for MPAC	(a) MPAC to be budgeted enough to enable them to do campaign and investigation

The Committee records its concerns on the matters of emphasis expressed in the Audit Report. These matters include:

Overall performance:

- KPI's which do not adhere to S.M.A.R.T principle
- Lack of monitoring on project implementation
- Understaffed departments which impact negatively on its performance
- Lack of consequence management on poor performance

5. **FINANCIAL STATEMENTS**

- That the municipality is still relying on outsource services for AFS despite the recommendation made in the MPAC 2015/2016 oversight report.
- On registration on property, plant and equipment in accordance with GRAP 17 property, plant and equipment as per AG's finding. We have noted much Improvement which is commendable

Unauthorised expenditure:

Our latest analysis of unauthorised expenditure remains the worrying factor and has increased tremendously in the year under review. Report will be presented to Council once the investigation has been completed.

Fruitless and Wasteful Expenditure

MPAC has noted the Fruitless and wasteful expenditure and the report will be presented to Council once the investigation has been completed in terms of Section 32 of the MFMA.

Irregular expenditure:

We have noted a decrease in irregular expenditure, however this is still a worrying factor. A report will be presented to council once the investigation on irregular expenditure is concluded.

Financial losses:

The MPAC committee has noted a higher financial loss as a result of non-payment of electricity usage in Roosenekal as a result of illegal connections.

The MPAC Committee has noted too much consultants on municipal services. The institution is advised to reduce higher dependency on consultants and start performing those services in-house.

6. CONCLUSION

The MPAC committee thank all the relevant participants for their support and cooperation during the oversight process. The committee believes that Elias Molsoaledi Municipality and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in years to come. We like to thank the entire Management team for various roles that they have played during the compilation of these oversight report.

7. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:29 MARCH 2018 RESOLVE TO RECOMMEND:

1. That Council approves the draft 2016/2017 Annual Report without reservations.
2. That the oversight report be made public in accordance with Section 129 (3) of the Local Government Municipal Finance Management Act 56 of 2003.
3. That the oversight report be submitted to the Provincial Legislature in accordance with section 132 (2) of the Local Government: Municipal Finance Management Act 56 of 2003.

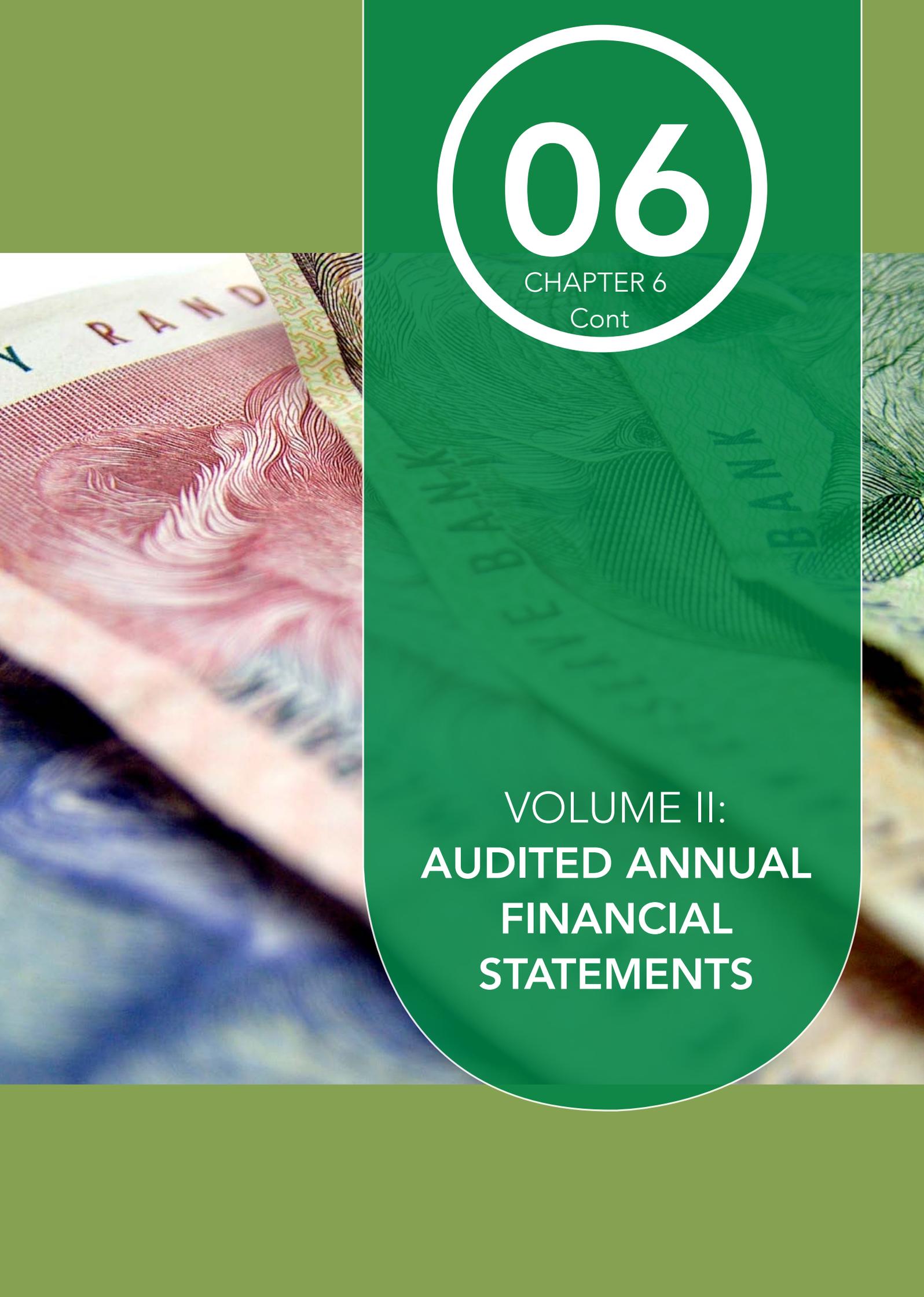
COUNCIL: 29 MARCH 2018 RESOLVE TO RECOMMEND

1. That Council approves the draft 2016/2017 Annual Report without reservations.
2. That the oversight report be made public in accordance with Section 129 (3) of the local Government: Municipal Finance Management Act 56 of 2003.
3. That the oversight report be submitted to the Provincial legislature in accordance with section 132 (2) of the local Government: Municipal Finance Management Act 56 of 2003.



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CLLR.H.J.MAKUNYANE
MPAC CHAIRPERSON
29 March 2018



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CHAPTER 6
Cont

VOLUME II:
**AUDITED ANNUAL
FINANCIAL
STATEMENTS**



ELIAS MOTSOALEDI LOCAL MUNICIPALITY
(Registration number LIM 472)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Office of the Auditor General (Polokwane) - Auditors
Published 31 August 2017

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

General Information

Legal form of entity	Elias Motsoaledi Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)
Nature of business and principal activities	South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)
Councillors List for the period ended 02 August 2016	
Mayor	Cllr JL Mathebe
Chief Whip	Cllr TM Phahlamohlaka (Chief Whip)
Speaker	Cllr TS Mahlangu
Councillors	<p>Cllr JL Mathebe (Mayor)</p> <p>Cllr R Alberts (Exco Member)</p> <p>Cllr TJ Lepota (Exco Member)</p> <p>Cllr NN Mahlangu (Exco Member)</p> <p>Cllr EM Masemola (Exco Member)</p> <p>Cllr GD Matjomane (Exco Member)</p> <p>Cllr FM Mogotji (Exco Member)</p> <p>Cllr MJ Mohlala (Exco Member)</p> <p>Cllr JJ Skosana (Exco Member)</p> <p>Cllr MD Tladi (Exco Member)</p> <p>Cllr MZ Buta</p> <p>Cllr NA Motong</p> <p>Cllr MT Mokganyetsi</p> <p>Cllr RSA Kabinie</p> <p>Cllr JP Kotze</p> <p>Cllr MF Madihlaba</p> <p>Cllr MM Maepa</p> <p>Cllr MK Tshoshane</p> <p>Cllr AB Mahlangu</p> <p>Cllr J Mahlangu</p> <p>Cllr MD Mahlangu</p> <p>Cllr KS Mahlase</p> <p>Cllr MN Malatji</p> <p>Cllr MS Malekane</p> <p>Cllr AM Maloba</p> <p>Cllr DS Mamaila</p> <p>Cllr MS Marapi</p> <p>Cllr MS Maselela</p> <p>Cllr HS Mashifane</p> <p>Cllr MS Mashilo</p> <p>Cllr WM Matemane</p> <p>Cllr SM Mathale</p> <p>Cllr MS Matlala</p> <p>Cllr TS Matsepe</p> <p>Cllr MP Matshipa</p> <p>Cllr ST Matsomane</p> <p>Cllr SH Mehlape</p> <p>Cllr CT Mhlanga</p> <p>Cllr I Mkhalihi</p> <p>Cllr TN Mmutle</p> <p>Cllr VV Moganedi</p>

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

General Information

Cllr MP Mkgabudi
Cllr MP Mokone
Cllr OE Motau
Cllr MG Motlale
Cllr DM Mzinyane
Cllr ME Nduli
Cllr SF Nkosi
Cllr TJ Ntuli
Cllr ML Phala
Cllr A Phatlane
Cllr RJ Podile
Cllr MF Rakoena
Cllr MW Ramphisa
Cllr SL Skosana
Cllr LH Tshoma
Cllr MS Tshoma

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

General Information

Councillors List for the period starting 03 August 2016

Mayor	Cllr JL Mathebe
Chief Whip	Cllr TM Phahlamohlaka
Speaker	Cllr MD Tladi
Councillors	
	Cllr JL Mathebe (Mayor)
	Cllr TM Phahlamohlaka (Chief Whip)
	Cllr MD Tladi (Speaker)
	Cllr A Phatlane (Exco Member)
	Cllr AM Maloba (Exco Member)
	Cllr GD Matjomane (Exco Member)
	Cllr JP Kotze (Exco Member)
	Cllr KC Shai (Exco Member)
	Cllr MG Phetla (Exco Member)
	Cllr MS Mashilo (Exco Member)
	Cllr TA Machipa (Exco Member)
	Cllr TN Mmutle (Exco Member)
	Cllr AM Makweoane
	Cllr B Bogopa
	Cllr BM Zulu
	Cllr CN Mathebe
	Cllr EM Maphopha
	Cllr FM Mogotji
	Cllr GM Makeke
	Cllr GR Namane
	Cllr HJ Makunyane
	Cllr J Mahlangu
	Cllr KF Madisa
	Cllr KS Kgopa
	Cllr LM Moima
	Cllr M Ranala
	Cllr MA Mphela
	Cllr MB Ntuli
	Cllr MG Motlape
	Cllr MK Mokwane
	Cllr ML Mamakoko
	Cllr ML Phala
	Cllr MM Matsepe
	Cllr MN Malatji
	Cllr MP Tshivhula
	Cllr MR Msiza
	Cllr MT Mohlala
	Cllr MT Mosotho
	Cllr MW Ramphisa
	Cllr MZ Hlathi
	Cllr NN Mahlangu
	Cllr NT Matunyane
	Cllr P Masimula
	Cllr R Alberts
	Cllr RJ Makitla
	Cllr RM Ratau
	Cllr RN Ndlovu
	Cllr SH Mehlape

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

General Information

	Cllr SM Maipushe Cllr SW Ratlou Cllr TA Phorothoe Cllr TM Mokganyetji Cllr TM Ntheko Cllr TS Matsepe Cllr TT Ratau Cllr VL Mthombeni Cllr VM Lecheko Cllr VP Madondo Cllr WJ Skhosana Cllr WN Oosthuizen Cllr Z Ngwenya
Accounting Officer	Mrs RM Maredi
Business address	2nd Grobler Avenue - Civic Centre Groblerdal 0470
Postal address	PO Box 48 Groblerdal 0470
Bankers	Nedbank
Auditors	Office of the Auditor General (Polokwane)
Grading of the Municipality	Grade 3

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

Index	Page
Accounting Officer's Responsibilities and Approval	
Audit Committee Report	
Accounting Officer's Report	
Statement of Financial Position	
Statement of Financial Performance	
Statement of Changes in Net Assets	
Cash Flow Statement	
Accounting Policies	
Notes to the Annual Financial Statements	

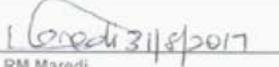
Abbreviations

GRAP	Generally Recognised Accounting Practice
PAYE	Pay As You Earn
IAS	International Accounting Standards
INEP	Integrated National Electrification Programme
EPWP	Expanded Public works programme
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MSCOA	Municipal Standard Chart Of Accounts
FMG	Finance Management Grant
MSIG	Municipal Systems Improvement Grants

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Responsibilities and Approval


Mrs RM Maredi
Municipal Manager

Thursday, 31 August 2017

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2017.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 4 ordinary and 4 special meetings were held.

Audit committee members	Number of meetings attended
Mrs M.P Ramutsheli (Chairperson)	4 Normal - 4 Special - 8 Total
Mr V.K Chuene	4 Normal - 4 Special - 8 Total
Mr M.O Mojapelo	4 Normal - 4 Special - 8 Total
Mr M.M Thipe	4 Normal - 4 Special - 8 Total
Mr M.G Mathabathe	3 Normal - 4 Special - 7 Total

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter.

It has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The content and the quality of the yearly management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act have been reviewed by the audit committee.

The internal control environment was partially effective.

The Audit Committee is satisfied with Management's action to address deficiencies identified.

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices
- reviewed the municipality's compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.
- reviewed the performance of the institution.

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Audit Committee Report

Internal audit

The Audit Committee engaged and supported management team during the review of performance management information.

The municipality's Operating, Compliance, Performance and Risk Management controls are assessed by the internal audit function which is overseen by Audit and Risk committee.

For the year under review the Internal Audit performed their responsibility in terms of the approved internal audit plan and reported their findings on regular basis to the Audit and Risk committee and management for implementation.

In the quest for maintaining a sound control environment, the audit committee continues to build the necessary capacity within the municipality.

Risk management

Every year the Council reviews the critical strategy risks facing the municipality and approves the municipality's risk approach.

The identification and assessment of those risks are informed amongst other things, by and understanding of our operational model including trends and interests of relevant stakeholders. The audit and risk committee has overseen the process of developing risk strategy, risk register including mitigating factors for consideration by council.

The risk assessment was conducted quarterly during the year under review. The municipality had a full time Chief Risk Officer during the financial year.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Chairperson of the Audit Committee : Mrs M.P Ramutsheli

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2017.

1. Review of activities

Main business and operations

The municipality is engaged in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: rates and general services - all types of services rendered by the municipality.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and fully elaborated in the Statement of Comparison of Budget and Actual Amounts.

Net deficit of the municipality was R 36 060 149 (2016: surplus R 40 207 860).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial period which resulted in an adjusting subsequent event.

The following non-adjusting subsequent event was noted after the reporting period:

A claim from Le Roux Inc dated 03 July 2017 on behalf of Koebill (Pty) Ltd for the transfer of property bought from the Municipality at an auction on 17 September 2014. The company is claiming for all damages suffered due to the failure to transfer the ownership to them.

4. Accounting Officer's interest in contracts

The accounting officers' declare not to have any interest in contracts of the Municipality.

5. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Non-current assets

Details of major changes in the nature of the non-current assets of the municipality during the year is set out in the notes to the financial statements.

7. Accounting Officer

The Accounting Officer of the municipality during the financial year and to the date of this report is as follows:

Name	Nationality
Mrs RM Maredi	South African

8. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

Councillors

The councillors:

- retains full control over the municipality, its plans and strategy;

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Report

- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
- is of a unitary structure comprising:
 - Mayor
 - Speaker
 - Executive committee councillors, and
 - Councillors.

Mayor and Municipal Manager

The roles of the Mayor and Municipal Manager are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The Council and mayor performs their oversight role and duties in terms of the prescribed legislation and delegated authorities.

Audit committee

The audit committee met during the financial year to review matters necessary to fulfil its role.

In terms of Section 166 of the Municipal Finance Management Act, the municipality must appoint members of the Audit Committee. Notwithstanding that non-executive directors appointed by the municipality constituted the municipal entities' Audit Committees, National Treasury policy requires that municipalities should appoint further members of the municipality's audit committees who are not councillors of the municipal entity onto the audit committee.

Internal audit

The municipality had four full time internal auditors for the year under review. The internal audit operates under section 165 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

9. Bankers

The municipality banks primarily with Nedbank.

10. Auditors

The Office of the Auditor General (Polokwane) will continue in office for the next financial period.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position

Figures in Rand	Note(s)	2017	2016 Restated
Assets			
Current Assets			
Inventories	9	3 202 151	3 397 502
Receivables from exchange transactions	10	1 544 578	3 598 008
Receivables from non-exchange transactions	11	19 547 729	3 990 888
VAT receivable	12	21 742 970	11 514 853
Consumer debtors	13	20 636 049	34 981 906
Cash and cash equivalents	14	20 944 077	11 965 225
		87 617 554	69 448 382
Non-Current Assets			
Investment property	3	55 728 304	96 139 347
Property Plant and Equipment	4	938 355 745	929 085 799
Heritage Assets	5	463 363	463 463
Intangible assets	6	290 674	496 001
Deposit (Security held in advance)	8	11 932 253	11 403 658
		1 006 770 339	1 037 588 268
Total Assets		1 094 387 893	1 107 036 650
Liabilities			
Current Liabilities			
Deferred income	17	192 982	192 982
Finance lease obligation	15	6 899 877	8 169 707
Landfill Site Provision	18	2 947 231	930 456
Payables from exchange transactions	19	65 095 088	53 061 164
Consumer deposits	20	5 633 383	5 612 611
Employee benefit obligation	7	1 622 867	1 241 088
Unspent conditional grants and receipts	16	16 955 569	1 574 723
Provisions	18	333 471	533 048
		99 680 468	71 315 779
Non-Current Liabilities			
Deferred income	17	3 859 649	4 052 632
Finance lease obligation	15	-	6 899 877
Landfill Site Provision	18	44 516 214	45 592 332
Employee benefit obligation	7	37 217 238	34 243 239
Provisions	18	4 218 110	3 976 430
		89 811 211	94 764 510
Total Liabilities		189 491 679	166 080 289
Net Assets		904 896 214	940 956 361
Net Assets			
Accumulated surplus		904 896 214	940 956 361

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated
Revenue			
Revenue from exchange transactions			
Interest received	24	9 358 203	10 162 645
Licences and permits	21	5 255 414	4 256 501
Other income	23	6 976 694	745 883
Recoveries	23	1 121 410	855 425
Rental of facilities and equipment	35	1 318 716	1 412 843
Service charges	22	77 250 735	69 587 523
Total revenue from exchange transactions		101 281 172	87 020 820
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	25 814 661	28 280 202
Transfer revenue			
Government grants & subsidies	27	282 035 154	293 840 422
Fines, Penalties and Forfeits	21	50 884 525	2 412 594
Total revenue from non-exchange transactions		358 734 340	324 533 218
Total revenue	21	460 015 512	411 554 038
Expenditure			
Administration		(186 673)	(958 595)
Bulk purchases	32	(65 729 402)	(60 439 478)
Debt Impairment	31	(21 128 019)	(8 130 056)
Depreciation and amortisation	4&5&6	(47 997 651)	(53 859 408)
Employee related costs	28	(117 780 736)	(108 305 606)
Finance costs	30	(1 426 148)	(2 268 424)
General Expenses	33	(152 927 587)	(92 166 830)
Impairment loss/ Reversal of impairments	36	(4 041 316)	(402 926)
Lease rentals on operating lease	36	(7 630 970)	(8 375 807)
Remuneration of councillors	29	(20 297 858)	(19 060 569)
Repairs and maintenance		(12 873 172)	(10 048 875)
Transfers and Subsidies	26	(707 968)	(313 378)
Total expenditure		(452 727 500)	(364 329 952)
Operating surplus/(deficit)	36	7 288 012	47 224 086
Additional service cost landfill rehabilitation	18	(10 202)	(3 885 575)
Fair value adjustments - actuarial gains/(losses)	7&18	433 499	(2 012 059)
Investment property fair value adjustment	3	(40 411 043)	2 671 345
Loss on disposal of assets	4	(3 360 415)	(3 789 937)
		(43 348 161)	(7 016 226)
Surplus/(deficit) for the year		(36 060 149)	40 207 860

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	832 921 123	832 921 123
Adjustments		
Prior year adjustments (refer Note 41)	67 827 378	67 827 378
Balance at 01 July 2015 as restated	900 748 501	900 748 501
Changes in net assets		
Surplus for the year	40 207 860	40 207 860
Total changes	40 207 860	40 207 860
Opening balance as previously reported	872 287 508	872 287 508
Adjustments		
Correction of errors (refer note 41)	68 668 855	68 668 855
Balance at 01 July 2016 as restated	940 956 363	940 956 363
Changes in net assets		
Surplus for the year	(36 060 149)	(36 060 149)
Total changes	(36 060 149)	(36 060 149)
Balance at 30 June 2017	904 896 214	904 896 214

Note(s)

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ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
Cash flows from operating activities			
Receipts			
Fines		2 718 886	1 155 098
Sale of goods and services		100 255 312	102 074 489
Grants		282 035 154	293 840 422
Interest		9 358 204	10 162 645
Other receipts		9 223 836	3 014 151
Licences and Permits		5 255 414	4 256 501
		<u>408 846 806</u>	<u>414 503 306</u>
Payments			
Employee costs		(134 680 713)	(122 210 092)
Suppliers		(174 398 107)	(187 284 365)
Finance cost		(1 426 149)	(2 268 420)
		<u>(310 504 969)</u>	<u>(311 762 877)</u>
Net cash flows from operating activities	37	<u>98 341 837</u>	<u>102 740 429</u>
Cash flows from investing activities			
Purchase of property plant and equipment	4	(80 664 683)	(108 388 066)
Proceeds from sale of property plant and equipment	4	-	654 036
Purchase of Intangible assets		-	(173 684)
Increase in Deposit (Security held in advance)		(528 595)	(753 397)
		<u>(81 193 278)</u>	<u>(108 661 111)</u>
Cash flows from financing activities			
Finance lease payments		(8 169 707)	(7 271 813)
		<u>(8 169 707)</u>	<u>(7 271 813)</u>
Net increase/(decrease) in cash and cash equivalents		8 978 852	(13 192 495)
Cash and cash equivalents at the beginning of the year		11 965 225	25 157 720
Cash and cash equivalents at the end of the year	14	<u>20 944 077</u>	<u>11 965 225</u>

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Revenue						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	81 101 633	(2 141 423)	78 960 210	77 250 735	(1 709 475)	1
Rental of facilities and equipment	912 129	1 500 000	2 412 129	1 318 716	(1 093 413)	2
Licences and permits	5 059 764	(200 000)	4 859 764	5 255 414	395 650	3
Recoveries	-	-	-	1 121 410	1 121 410	3.1
Other income	2 151 924	(953 098)	1 198 826	6 976 694	5 777 868	4
Interest earned	9 952 066	350 000	10 302 066	9 358 203	(943 863)	5
Total revenue from exchange transactions	99 177 516	(1 444 521)	97 732 995	101 281 172	3 548 177	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	23 981 147	(201 369)	23 779 778	25 814 661	2 034 883	6
Transfer revenue						
Government grants & subsidies	288 524 000	10 000 000	298 524 000	282 035 154	(16 488 846)	7
Fines, Penalties and Forfeits	1 341 847	5 658 153	7 000 000	50 884 525	43 884 525	8
Total revenue from non-exchange transactions	313 846 994	15 456 784	329 303 778	358 734 340	29 430 562	
Total revenue	413 024 510	14 012 263	427 036 773	460 015 512	32 978 739	
Expenditure						
Personnel						
Remuneration of councillors	(109 053 195)	(3 443 080)	(112 496 275)	(117 780 736)	(5 284 461)	9
Administration	(18 908 378)	(1 383 648)	(20 292 026)	(20 297 858)	(5 832)	10
Depreciation and amortisation	-	-	-	(186 673)	(186 673)	11
Impairment loss/ Reversal of impairments	(35 796 473)	(14 203 526)	(49 999 999)	(47 997 651)	2 002 348	12
Finance costs	(60 000)	(2 700 000)	(2 760 000)	(4 041 316)	(4 041 316)	12.1
Lease rentals on operating lease	-	-	-	(1 426 148)	1 333 852	13
	-	-	-	(7 630 970)	(7 630 970)	14

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Debt Impairment	(12 687 580)	2 000 000	(10 687 580)	(21 128 019)	(10 440 439)	15
Repairs and maintenance	(3 945 000)	(6 553 066)	(10 498 066)	(12 873 172)	(2 375 106)	16
Bulk purchases	(64 960 810)	2 055 290	(62 905 520)	(65 729 402)	(2 823 882)	17
Transfers and Subsidies	(2 128 000)	(120 000)	(2 248 000)	(707 968)	1 540 032	18
General Expenses	(81 375 593)	(15 098 136)	(96 473 729)	(152 927 587)	(56 453 858)	19
Total expenditure	(328 915 029)	(39 446 166)	(368 361 195)	(452 727 500)	(84 366 305)	
Operating surplus	84 109 481	(25 433 903)	58 675 578	7 288 012	65 963 590	
Loss on disposal of assets and liabilities	-	-	-	(3 360 415)	(3 360 415)	19.1
Additional contribution landfill rehabilitation	-	-	-	(10 202)	(10 202)	19.1
Fair value adjustments	-	-	-	433 499	433 499	19.1
Investment property fair value adjustment	-	-	-	(40 411 043)	(40 411 043)	19.1
	-	-	-	(43 348 161)	(43 348 161)	
Surplus/(Deficit) before taxation	84 109 481	(25 433 903)	58 675 578	(36 060 149)	(94 735 727)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	84 109 481	(25 433 903)	58 675 578	(36 060 149)	(94 735 727)	

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	3 000 000	(14 000)	2 986 000	3 202 151	216 151	20
Receivables from exchange transactions	13 854 663	13 100 000	26 954 663	1 544 578	(25 410 085)	21
Receivables from non-exchange transactions	-	-	-	19 547 729	19 547 729	22
VAT receivable	-	-	-	21 742 970	21 742 970	23
Consumer debtors	18 947 246	13 135 000	32 082 246	20 636 049	(11 446 197)	24
Cash and cash equivalents	36 615 867	(10 952 496)	25 663 371	20 944 077	(4 719 294)	25
	72 417 776	15 268 504	87 686 280	87 617 554	(68 726)	
Non-Current Assets						
Investment property	89 472 000	3 996 001	93 468 001	55 728 304	(37 739 697)	26
Property Plant and Equipment	891 662 963	42 753 991	934 416 954	938 355 745	3 938 791	27
Heritage Assets	-	-	-	463 363	463 363	28
Intangible assets	640 009	(461 700)	178 309	290 674	112 365	29
Deposit (Security held in advance)	11 697 891	362 871	12 060 762	11 932 253	(128 509)	30
Long term lease Debtor - restated	-	-	-	-	-	
	993 472 863	46 651 163	1 040 124 026	1 006 770 339	(33 353 687)	
Total Assets	1 065 890 639	61 919 667	1 127 810 306	1 094 387 893	(33 422 413)	
Liabilities						
Current Liabilities						
Deferred income	-	-	-	192 982	192 982	31
Finance lease obligation	-	10 100 000	10 100 000	6 899 877	(3 200 123)	32
Landfill Rehabilitation Provision	-	-	-	2 947 231	2 947 231	33
Payables from exchange transactions	25 000 473	37 252 527	62 253 000	65 095 087	2 842 087	33.1
Consumer deposits	5 443 954	456 046	5 900 000	5 633 383	(266 617)	34
Employee benefit obligation	-	-	-	1 622 867	1 622 867	35

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Unspent conditional grants and receipts	-	-	-	16 955 569	16 955 569	36
Provisions	1 451 524	-	1 451 524	333 471	(1 118 053)	37
	31 895 951	47 808 573	79 704 524	99 680 467	19 975 943	
Non-Current Liabilities						
Deferred income	-	-	-	3 859 649	3 859 649	38
Finance lease obligation	6 263 967	(6 263 967)	-	-	-	39
Landfill Site Rehabilitation provision	-	-	-	44 516 214	44 516 214	40
Employee benefit obligation	-	-	-	37 217 238	37 217 238	40
Provisions	84 249 344	935 686	85 185 030	4 218 110	(80 966 920)	40
	90 513 311	(5 328 281)	85 185 030	89 811 211	4 626 181	
Total Liabilities	122 409 262	42 480 292	164 889 554	189 491 678	24 602 124	
Net Assets	943 481 377	19 439 375	962 920 752	904 896 215	(58 024 537)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	943 481 377	19 439 375	962 920 752	904 896 215	(58 024 537)	41

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Approved budget	Adjustments	Final Bu
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Figures in Rand

Budget and Actual Amounts variance explanation

1. Variance as a result of slight reduction in consumption of the municipal service charge than anticipated in budgeted compilation.
2. The rate at which the stadium was rented was lower than the projected rater.
3. The variance is positively correlated to the general increase in new and second hand cars during the year. The increase was more than anticipated at budget process.
- 3.1 The incident that led to recoveries was not known when both original and adjusted budget were approved and as a result, there was no budget provision for this line item.
4. Increase is due to retention's that were written off during the year, this was not anticipated at the budget process due to the transaction being non-recurring.
5. The reduction in interest is mainly due to a lower investment balance during the year compared to previous year resulting in less interest earned on investments.
6. The variance is due to the increase in revenue forgone to indigent users resulting in slightly less net revenue from property rates.
7. The variance is attributed to unspent conditional grants
8. The variance is attributed to procurement of speed cameras that resulted in significant increase in the traffic fines.
9. Excess due to remuneration of Ward committee members budgeted under general expenses
10. The variance is due to salaries adjustment from grade 3 upper limits to those of grade 4
11. Administration is budgeted under general expenses.
12. Variance due to revised useful lives of assets in terms of GRAP 17.
- 12.1 The impair loss was not budgeted for since during budget preparation stage there was no expectation that there will be impairment loss or reversal..
13. The budget was overstated to cover the increase in repo rate and possible new lease contracts that did not materialise during the year.
14. The operating lease was budgeted under general expenses.
15. The increase in debt impairment is attributed to increased revenue for traffic fines emanating from the speed cameras.
16. Increased due to unexpected repairs and maintenance to municipal assets.
17. The actual expenditure was adjusted to match the demand and consumption of electricity.
18. The budget figure was made up of external bursaries, free basic electricity and Council contribution on medical aid for pensioner, yet the actual expenditure only relate to free basic electricity .
19. The actual expenditure include bad debts written off and landfill – additional interest that were not taken into account in the approved budget. In addition, the overspending was mainly on contracted services
- 19.1 The gain/(loss) on disposal of assets is a non-recurring transaction, and the municipality did not have plans in place to dispose assets at the time of finalizing the budget for approval.
20. The variance is attributed to increased number of store items on hand at year end
21. Budget is includes allocation for receivables from non-exchange transactions
22. Budget is allocated under receivables from exchange transactions
23. Budget is allocated under other debtors
24. The variance as a result of bad debts written off during the year as approved by Council.
25. The variance is a result of the municipality early payment of creditors.
26. The variance is caused by fair value adjustment that was reclassified after approval of the budget
27. Variance due to new found assets during the year.
28. The projected amortisation for Intangible asset was more than the actual amortisation
29. Variance due to additions during the year.
30. The variance is due to less interest earned on movements in Eskom deposits held as a security.
31. The budget allocation has been made under trade and other payables
32. The budget included provision for leasing of additional vehicles that were procured under operating lease as opposed to finance lease
33. The budget allocation has been made under current provision
- 33.1 The variance is attributed to early payment of creditors before year end.
34. The consumer deposit figure at year end is lower than it was projected due to deposit refunded to consumers
35. The budget allocation for the year has been made under current provision
36. The variance relates to the unspent conditional grants which was not anticipated on budget compilation.
37. The actuarial valuation of the obligation was more than the estimated amount.s.
38. In terms of National Treasury schedules or template the budget for this line item is included in trade and other payables.
39. There is no longer any non current finance lease obligations due to lease period coming to an end within the next 12 months.
40. The actuarial valuation of the obligation was less than the estimated amount.
41. The variance is attributed to the bad debts written off and debt impairment resulting in reduced surplus for the year.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. In situations where the application of GRAP is not practicable, the International Accounting Standards will apply.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Useful lives and residual values of property plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimation should be based on the expected pattern in which an asset's future economic benefits or service potential are to be consumed by the municipality.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio risk basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 7.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows.

Provision for landfill sites

The provision for rehabilitation site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the related asset are charged to the Statement of Financial Performance.

Provision of rehabilitation of landfill site is determined by :

- Calculating the cost of rehabilitation of landfill sites and assessing the useful life of each land fill site as done by an Actuary/Specialist
- The effect of time value of money is calculated using interest rates (investment rate) linked to the prime rate.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the enterprise, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be measurable when construction is complete. It measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measure that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity apply the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or services potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Property Plant and Equipment

Property Plant and Equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property Plant and Equipment is initially measured at cost.

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1. Presentation of Annual Financial Statements (continued)

The cost of an item of property plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

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

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

Costs include costs incurred initially to acquire or construct an item of property plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property plant and equipment are accounted for as property plant and equipment.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Property Plant and Equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	30 years
Plant and machinery	5 - 15 years
Furniture and fixtures	7 - 10 years
Motor vehicles	3 - 20 years
Office equipment	3 - 5 years
IT equipment	3 - 6 years
Infrastructure	5 - 30 years
Other property, plant and equipment	5 - 30 years
Other equipment	5 - 25 years
Specialised vehicles	10 years
Tools and loose gear	5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The depreciation charge for each period is recognised on the straight line basis in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.6 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer Software	3-5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.7 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a heritage asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of the heritage asset's net selling price and its value in use.

Value in use of the heritage asset is the present value of the asset's remaining service potential.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts.

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Deposits	Financial asset measured at amortised cost
Investments - Call accounts	Financial asset measured at cost
Consumer Debtors	Financial asset measured at amortised cost
VAT	Financial asset measured at cost
Sundry debtors	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Deposits	Financial liability measured at amortised cost
Trade Payables	Financial asset measured at cost
Accruals	Financial asset measured at cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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1. Presentation of Annual Financial Statements (continued)

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

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1. Presentation of Annual Financial Statements (continued)

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow:

- Buildings (Public buildings)
- Infrastructure (Roads)
- Stormwater

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction / (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation / (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation / (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.15 Provisions and Contingent Liabilities

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.12 and 1.13.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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Accounting Policies

1. Presentation of Annual Financial Statements (continued)

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised when it is probable that future economic benefits will flow to the entity, the costs can be reliably measured and all restrictions have been complied with. Revenue is recognised when fines or summons are issued.

The amount due by a particular offender is specified on the notice, summons or equivalent document. The municipality issuing the traffic fine may indicate that reductions are available, subject to further processes being undertaken.

Fines reductions are not within the Elias Motsoaledi Municipality's discretion, they are subject to a further judicial process which is outside the municipality's control, then these reductions are not considered in measuring the asset (receivable) on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process.

Relevant disclosures should be made on the assumptions used to estimate revenue and any other relevant information.

The municipality is able to reliably measure the fair value of fines issued. The value of the fine that can be imposed on the offender is usually stipulated in legislation, regulation or equivalent, and will vary depending on the nature and severity of the offence. The amount due by a particular offender is usually indicated on the notice, summons or similar document issued. In these instances, the asset (receivable) can be measured reliably.

The basis of a receivables provision for fines outstanding as at year end in Elias Motsoaledi Municipality is based on a percentage of fines settled which already has accounted for the discretion applied by by court to reduce or withdraw fines requested for review by public members divided by the total fines issued for the current year.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- Internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised on receipt probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period., such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

When government remit grants on a re-imbusement basis, revenue is recognised when the qualifying expense has been incurred and to the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

Commitments

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

If the municipality enters into any significant contractual commitments that will result in the outflow of financial sources after the balance sheet date, it must be disclosed in the notes to the annual financial statements as a non-adjusting event.

Commitments include:

- Capital commitments (to acquire PPE and intangible assets)
- Lease commitments
- Other financial commitments

The value of the planned outflow of financial resources shall be disclosed per category of commitments

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Property rates - revenue

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

Other grants and donations

Other grants and donations are recognised as revenue when:

- > it is probably that the economic benefits or service potential associated with the transaction will flow to the municipality;
- > the amount of the revenue can be measured reliably; and
- > to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. if conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

- > to the extent that there has been compliance with any restrictions associated with the grant.

1.19 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

1.21 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

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

1.26 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.27 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Grants are included in Non exchange transactions revenue.

1.28 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are not compiled on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

The Statement of comparative and actual information have been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

The annual financial statements and the budget are not compiled on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note .

Comparative information is not required.

1.29 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);
- and

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements (continued)

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.31 Consumer Deposits

Consumer Deposits represents funds received by the municipality as security for payment of consumer accounts. The amount represent the actual cash received and can either be paid back or set off against an consumer account. The gross un-utilised deposit amount is indicated. No interest is paid to the consumers on the deposits held by the municipality.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 16 (as amended 2015): Investment Property

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Various amendments were made to the Standard, affecting Definitions, Identification, Disclosure, Effective date and Transitional provisions.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

GRAP 17 (as amended 2015): Property, Plant and Equipment

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Amendments identified as part of the post-implementation review, affected the following areas:

- Indicator-based assessment of the useful lives of assets
- Use of external valuers
- Encouraged disclosures
- Capital work-in-progress
- Expenditure incurred on repairs and maintenance

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

3. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and Buildings	55 728 304	-	55 728 304	96 139 347	-	96 139 347

Reconciliation of investment property - June 2017

	Opening balance	Fair value adjustments	Total
Land and Buildings	96 139 347	(40 411 043)	55 728 304

Reconciliation of investment property - June 2016

	Opening balance	Fair value adjustments	Total
Investment property	93 468 002	2 671 345	96 139 347

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. None of the assets of the Municipality has been pledged as security for any purposes.

The valuation of the Investment properties was performed by an independent valuator, Pierre Rynners valuers. Sales research was conducted for property transactions taking place in the period starting July 2015 to June 2017. Year-on-year increases were calculated based on the average sales data collected for each township within the larger municipal area. The property market in the greater Elias Motsoaledi area was very quiet, overall little if any increases took place.

4. Property Plant and Equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	181 738 948	(9 026 900)	172 712 048	181 779 048	(9 026 900)	172 752 148
Buildings	67 817 421	(27 343 077)	40 474 344	60 576 651	(23 792 835)	36 783 816
Leased assets capitalised	21 083 725	(4 112 588)	16 971 137	21 083 725	(2 285 466)	18 798 259
Infrastructure	897 130 567	(297 646 448)	599 484 119	821 582 213	(264 200 956)	557 381 257
Community	59 503 580	(22 288 160)	37 215 420	57 937 690	(14 733 843)	43 203 847
Other property, plant and equipment	74 388 803	(49 979 441)	24 409 362	93 224 544	(61 327 301)	31 897 243
Capital - Work in Progress	47 089 315	-	47 089 315	68 269 229	-	68 269 229
Total	1 348 752 359	(410 396 614)	938 355 745	1 304 453 100	(375 367 301)	929 085 799

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

Reconciliation of property plant and equipment - June 2017

	Opening balance	Additions	Disposals	Transfers received	Donations	Depreciation	Impairment loss	Total
Land	172 752 148	-	(40 100)	-	-	-	-	172 712 048
Buildings	36 783 816	-	-	6 696 064	-	(2 977 542)	(27 994)	40 474 344
Leased assets capitalised	18 798 259	-	-	-	-	(1 827 122)	-	16 971 137
Infrastructure	557 381 257	-	-	76 655 146	-	(34 551 908)	(376)	599 484 119
Community	43 203 847	-	-	-	-	(2 057 200)	(3 931 227)	37 215 420
Other property, plant and equipment	31 897 243	2 292 609	(3 320 215)	-	-	(6 378 554)	(81 721)	24 409 362
Capital - Work in Progress	68 269 229	78 372 074	-	(83 351 210)	(16 200 778)	-	-	47 089 315
	929 085 799	80 664 683	(3 360 315)	-	(16 200 778)	(47 792 326)	(4 041 318)	938 355 745

Reconciliation of property plant and equipment - June 2016

	Opening balance	Additions	Disposals	Transfers	Detrecognised	Depreciation	Impairment loss	Total
Land	172 752 148	-	-	-	-	-	-	172 752 148
Buildings	39 948 605	-	-	-	-	(3 164 789)	-	36 783 816
Leased assets capitalised	20 626 631	-	-	-	-	(1 828 372)	-	18 798 259
Infrastructure	517 175 466	-	-	77 168 348	-	(36 714 110)	(248 447)	557 381 257
Community	45 731 569	-	-	-	-	(2 373 244)	(154 478)	43 203 847
Other property, plant and equipment	39 200 529	6 602 629	(4 443 973)	-	-	(9 461 942)	-	31 897 243
Capital - Work in Progress	44 537 717	101 785 438	-	(77 168 348)	(885 578)	-	-	68 269 229
	879 972 665	108 388 067	(4 443 973)	-	(885 578)	(53 542 457)	(402 925)	929 085 799

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. None of the assets of the Municipality has been pledged as security for any purposes.

Certain assets were impaired during the year, based on physical verification that were performed during the 2017 financial year. The fair value less costs to sell method was used.

The impairment review was limited to review of the possible "Physical impairment" of the assets. This impairment review is therefore directly linked to the high-level condition assessment carried out on the assets that have been physically verified. Impairment was raised in cases where the carrying amount at yearend (including accumulated impairment in prior years but before current year impairment losses) exceeded the recoverable service amount calculated. The additional impairment will be equal to the difference between the carrying value and the recoverable service amount.

Once the condition of an asset is determined the condition rating is applied in order to ensure that the value of the asset is correctly reflected, this is done by reducing the carrying value of the asset based on its condition, as per the table below:

Description	Rating
Very Good	95%
Good	70%
Fair	45%
Poor	25%
Very Poor	10%
Broken	0%

During the 2017 financial year the Tafelkop Sport stadium was impaired with R3 931 227 due to it being vandalised.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

5. Heritage Assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Heritage Assets	463 363	-	463 363	463 463	-	463 463

Reconciliation of heritage assets - June 2017

	Opening balance	Disposals	Total
Heritage Assets	463 463	(100)	463 363

Reconciliation of heritage assets - June 2016

	Opening balance	Disposals	Total
Heritage Assets	463 463	-	463 463

6. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 554 591	(1 263 917)	290 674	1 554 591	(1 058 590)	496 001

Reconciliation of intangible assets - June 2017

	Opening balance	Additions	Amortisation	Total
Computer software	496 001	-	(205 327)	290 674

Reconciliation of intangible assets - June 2016

	Opening balance	Additions	Amortisation	Total
Computer software	640 009	173 684	(317 692)	496 001

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
7. Employee benefit obligations		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the Post Employment Medical Health Care obligation -	(35 484 327)	(30 763 711)
Opening balance		
Interest charge	(3 143 476)	(2 680 553)
Net actuarial gains or losses recognised	155 761	(1 427 756)
Current Service Cost	(1 410 336)	(1 556 236)
Benefits paid out of the fund	1 042 273	943 929
	(38 840 105)	(35 484 327)
Non-current liabilities	(37 217 238)	(34 243 239)
Current liabilities	(1 622 867)	(1 241 088)
	(38 840 105)	(35 484 327)
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	35 484 327	30 763 711
Net expense recognised in the statement of financial performance	3 355 778	4 720 616
	38 840 105	35 484 327
Net expense recognised in the statement of financial performance		
Current service cost	1 410 336	1 556 236
Interest cost	3 143 476	2 680 553
Actuarial (gains)/losses	(155 761)	1 427 756
Paid out to current members	(1 042 273)	(943 929)
	3 355 778	4 720 616
Calculation of actuarial gains and losses		
Actuarial (gains) losses – Obligation	(155 761)	1 427 756
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used: Long service awards	8.52 %	8.64 %
General salary inflation (Long Term)	6.34 %	7.29 %
Nett effective discount rate - Long service awards	2.05 %	1.26 %
Discount rate used: Post employment benefits	9.57 %	9.01 %
Health care inflation rate	7.85 %	8.13 %
Net effective discount rate - Post employment benefits	1.59 %	0.82 %

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	5 430 700	5 034 600

Amounts disclosed span the total information available as the municipality applied the GRAP standard only from 2012 annual financial statements. Future periods will include all further information as it ages.

	June 2017 R	June 2016 R	June 2015 R	June 2014 R	June 2013 R
Defined benefit obligation	38 840 103	35 484 327	30 763 371	28 168 340	24 917 233
Experience adjustments on plan liabilities	(4 795 000)	(1 933 000)	(363 000)	(1 258 817)	(1 444 000)

8. Deposit (Security held in advance)

A security deposit is held by Eskom who is the bulk electricity supplier to the municipality. The Municipality occasionally pays additional deposits as required by the supplier. The deposit attracts interest at rates determined by the supplier on an annual basis. The annual interest is accounted for in the additional deposit amounts held and the relevant interest earned amount on the statement of financial performance. The amount equals approximately twice the monthly account and will be held until the service is no longer required.

Eskom Deposits

Account payable security	11 932 253	11 403 658
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9. Inventories

Consumables	3 202 151	3 397 502
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9.1 Consumables expenses

Statement of Financial Position

Opening stock	3 397 502	2 636 339
Add: Purchases	8 229 582	8 577 485
Less: Consumed	(8 424 933)	(7 816 322)
Closing stock	3 202 151	3 397 502

Statement of Financial Performance

Consumables used	5 080 508	4 658 855
(Gains)/losses on inventory	5 139	(20 853)

Inventories recognised as an expense during the year	5 085 647	4 638 003
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ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
10. Receivables from exchange transactions		
Trade debtors	832 196	1 872 629
Housing debtors	-	208 878
Recoverable fruitless and wasteful expenditure	712 382	1 516 501
	1 544 578	3 598 008
Reconciliation of provision for impairment of trade and other receivables		
The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.		
The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors above. The municipality does not hold any collateral as security.		
11. Receivables from non-exchange transactions		
Fines	69 371 820	21 206 181
Less: Provision for irrecoverable debt and fair value adjustment	(49 824 091)	(17 215 293)
	19 547 729	3 990 888
12. VAT receivable		
VAT	21 742 970	11 514 853
The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.		
Due to the accrual basis of accounting applied the amount disclosed for VAT include the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of vat movement items. In terms of the prescribed guidelines only the nett VAT receivable or payable are disclosed.		
13. Consumer debtors		
Gross balances		
Rates	20 827 726	45 761 999
Electricity	11 991 487	11 404 957
Refuse	2 570 683	1 938 718
Other	12 791 592	14 902 449
	48 181 488	74 008 123
Less: Allowance for impairment		
Rates	(11 432 623)	(21 177 108)
Electricity	(3 437 521)	(3 030 334)
Refuse	(1 327 999)	(1 155 499)
Other	(11 347 296)	(13 663 276)
	(27 545 439)	(39 026 217)
Net balance		
Rates	9 395 103	24 584 891
Electricity	8 553 966	8 374 623
Refuse	1 242 684	783 219
Other	1 444 296	1 239 173
	20 636 049	34 981 906

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
Rates - Consisting of Non Exchange Transactions		
Current (0 -30 days)	3 985 933	19 105 176
31 - 60 days	792 950	981 604
61 - 90 days	555 189	774 547
91 - 120 days	522 094	683 555
121 - 365 days	3 455 791	7 197 142
> 365 days	11 515 768	17 019 975
	20 827 725	45 761 999
Electricity - Consisting of Exchange Transactions		
Current (0 -30 days)	5 582 773	5 026 791
31 - 60 days	1 984 050	1 483 975
61 - 90 days	412 297	722 236
91 - 120 days	281 062	349 069
121 - 365 days	1 982 889	2 001 571
> 365 days	1 748 416	1 821 315
	11 991 487	11 404 957
Refuse - Consisting of Exchange Transactions		
Current (0 -30 days)	477 313	296 742
31 - 60 days	167 466	126 636
61 - 90 days	93 592	54 800
91 - 120 days	78 382	42 734
121 - 365 days	451 286	260 496
> 365 days	1 302 644	1 157 310
	2 570 683	1 938 718
Other - Consisting of Non Exchange Transactions		
Current (0 -30 days)	3 888 163	1 292 646
31 - 60 days	592 311	973 789
61 - 90 days	416 180	568 676
91 - 120 days	444 203	648 777
121 - 365 days	2 173 560	5 299 997
> 365 days	5 277 174	6 118 564
	12 791 592	14 902 449

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Figures in Rand	2017	2016
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	11 019 345	13 379 729
31 - 60 days	2 820 708	1 650 852
61 - 90 days	1 065 243	928 858
91 - 120 days	928 807	755 340
121 - 365 days	4 909 043	5 393 386
> 365 days	13 990 090	16 659 741
	<u>34 733 236</u>	<u>38 767 906</u>
Less: Allowance for impairment	(16 002 995)	(17 972 789)
	18 730 241	20 795 117
Industrial/ commercial / agricultural		
Current (0 -30 days)	2 467 146	4 116 583
31 - 60 days	436 560	1 316 671
61 - 90 days	408 367	814 716
91 - 120 days	405 772	630 682
121 - 365 days	2 651 601	5 284 293
> 365 days	5 465 459	7 337 092
	<u>11 834 905</u>	<u>19 500 037</u>
Less: Allowance for impairment	(11 048 854)	(13 853 677)
	786 051	5 646 360
National, provincial and other government organisations		
Current (0 -30 days)	447 690	981 727
31 - 60 days	279 510	598 481
61 - 90 days	3 649	376 684
91 - 120 days	(8 838)	338 114
121 - 365 days	502 882	1 727 272
> 365 days	388 454	1 978 604
	<u>1 613 347</u>	<u>6 000 882</u>
Less: Allowance for impairment	(493 590)	(3 067 095)
	1 119 757	2 933 787
Total		
Residential and Other	36 617 037	42 900 565
Commercial / industrial / agricultural	9 951 104	19 500 037
National, Provincial and other government organisations	1 613 348	6 000 882
In Advance	-	5 606 639
	<u>48 181 489</u>	<u>74 008 123</u>
Less: Allowance for impairment	(27 545 440)	(39 026 217)
	20 636 049	34 981 906
Reconciliation of allowance for impairment		
Balance at beginning of the year	(39 026 218)	(31 172 771)
Contributions to provision	11 480 779	(7 853 446)
	(27 545 439)	(39 026 217)

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Figures in Rand 2017 2016

Consumer debtors impaired

As of 30 June 2017, consumer debtors of R 48 181 499 (2016: R 74 008 123) were impaired and provided for.

During the year consumer debtors amounting to R 23 082 118.9 was written off as bad debts.

The amount of the provision was R 27 545 439 as of 30 June 2017 (2016: R 39 026 217). The basis of the calculation of debt impairment is based on the risk assessment required in terms of GRAP 19.

Consumer debtors breakdown

During the year it was decided that consumer debtors be consolidated in the Statement of Financial Position and a breakdown to show Consumer debtors - From Exchange Transactions and Consumer debtors - From Non- Exchange Transactions be disclosed in the note below.

The carrying amount of consumer debtors consist of the following:

Consumer debtors from non-exchange transactions	9 395 103	25 824 067
Consumer debtors from exchange transactions	11 240 946	9 157 839
Total	<u>20 636 049</u>	<u>34 981 906</u>

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	(125)	(215)
Bank balances	20 944 202	11 965 440
	<u>20 944 077</u>	<u>11 965 225</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances		
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	
ABSA Bank Limited Call Account (Acc no 4068316809)	-	632 032	-	635 377	-
ABSA Bank Limited MIG Call Account (Acc no 4087013143)	-	740 519	-	744 375	-
ABSA BANK - Cheque Account (Acc no 900000049)	-	4 917 116	-	4 683 308	-
Nedbank Limited: 90 Day Notice Deposit (Acc No 03/7881068264)	-	5 519 626	-	5 506 696	-
VBS Mutual Bank - 32 Day Notice Group - 100-6277-2004	15 631 027	-	15 432 763	-	-
Nedbank Limited: Cheque Account (Acc no 1137278765)	4 175 411	-	5 287 700	-	-
Total	<u>19 806 438</u>	<u>11 809 293</u>	<u>-</u>	<u>11 569 756</u>	<u>-</u>

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
15. Finance lease obligation		
Minimum lease payments due		
- within one year	7 267 085	9 595 855
- in second to fifth year inclusive	-	7 267 085
	<u>7 267 085</u>	<u>16 862 940</u>
less: future finance charges	(367 208)	(1 793 356)
Present value of minimum lease payments	<u>6 899 877</u>	<u>15 069 584</u>
Non-current liabilities	-	6 899 877
Current liabilities	6 899 877	8 169 707
	<u>6 899 877</u>	<u>15 069 584</u>

It is municipality policy to lease certain motor vehicles and equipment under finance leases.

The lease term is 3 years and the average effective borrowing rate was linked to prime rates. The lease commenced on the 30th April 2015.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 4.

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2017	2016
Land Affairs Grant	466 250	466 250
Integrated National Electrification Programme (Municipal Grant)	189 434	1 108 473
Municipal Infrastructure Grant	16 299 885	-
	<u>16 955 569</u>	<u>1 574 723</u>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 27 for reconciliation of grants from National/Provincial Government.

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
17. Deferred income		
Designated at amortised cost		
Deferred income	3 859 649	4 052 632
Designated at amortised cost		
Deferred income	192 982	192 982
<p>The municipality received R 5 500 000 in advance for the market related lease of a business property. As part of the lease agreement these payments are amortised over the period of the lease agreement. No escalation is applicable on the lease and the lease payments are amortised utilising the straight line method. The lease amounts to R 192 982 per annum excluding VAT (value added tax).</p>		
Non-current liabilities		
Deferred income	3 859 649	4 052 632
Current liabilities		
Deferred income	192 982	192 982

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

18. Provisions

Reconciliation of provisions - June 2017

	Opening Balance	Current Service Cost	Benefit Vested	Interest Cost	Actuarial Loss / (Gain)	Total
Environmental rehabilitation - Landfill	46 522 788	10 202	-	930 455	-	47 463 445
Provision for Long Service Leave Bonus	4 509 478	571 500	(618 551)	366 892	(277 738)	4 551 581
	51 032 266	581 702	(618 551)	1 297 347	(277 738)	52 015 026

Reconciliation of provisions - June 2016

	Opening Balance	Current Service Cost Restated	Benefit Vested	Interest Cost	Actuarial Loss / (Gain) Restated	Total
Environmental rehabilitation - Landfill	41 863 989	3 885 575	-	773 224	-	46 522 788
Provision for Long Service Leave Bonus	4 074 011	489 934	(503 953)	302 676	146 810	4 509 478
	45 938 000	4 375 509	(503 953)	1 075 900	146 810	51 032 266

Non Current Portion Landfill site provision	44 516 214	45 592 332
Current Portion Landfill site provision	2 947 231	930 456
Non-current portion of long service leave provision	4 218 110	3 976 430
Current portion of long service leave provision	333 471	533 048
	52 015 026	51 032 266

Employee benefit cost provision

An actuarial valuation was performed on the long service bonus awards - current and non current - liability for the purpose of reporting under the statement of Generally Recognised Accounting Practice 25 (GRAP 25) of the Accounting Standards Board (ASB) Directive 5, which is based on the International Accounting Standards 19 (IAS 19) was performed.

In terms of the basic conditions of employment long service accumulated leave must be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.

Detailed assumptions are disclosed under note 7

Environmental rehabilitation provision

An actuarial valuation was performed on the environmental rehabilitation - current and non current - liability. The municipality appointed Messers One Pangaea Financial as actuaries to perform the rehabilitation review and estimation for the 2017 financial year. The appropriate procedures were followed to ensure that the provision is appropriate for the landfill sites operated.

19. Payables from exchange transactions

Trade payables	34 760 097	19 595 399
Payments received in advanced Consumer Accounts	6 446 403	5 606 039
Accrued leave pay	11 875 952	11 047 962
Accrued bonus	3 419 662	2 747 112
Retention Creditors	8 592 974	14 064 652
	65 095 088	53 061 164

20. Consumer deposits

Electricity	5 633 383	5 612 611
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The deposit relates to the guarantees or amounts paid by consumers on initial connection to municipal services. The deposit will be used to settle the debt in case of disconnection of services or payment default by the customer.

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
21. Revenue		
Fines, Penalties and Forfeits	50 884 525	2 412 594
Government grants & subsidies	282 035 154	293 840 422
Interest received	9 358 203	10 162 645
Licences and permits	5 255 414	4 256 501
Other income	6 976 694	745 883
Property rates	25 814 661	28 280 202
Recoveries	1 121 410	855 425
Rental of facilities and equipment	1 318 716	1 412 843
Service charges	77 250 735	69 587 523
	460 015 512	411 554 038
Interest received - investment	9 358 203	10 162 645
Licences and permits	5 255 414	4 256 501
Other income	6 976 694	745 883
Recoveries	1 121 410	855 425
Rental of facilities and equipment	1 318 716	1 412 843
Service charges	77 250 735	69 587 523
The amount included in revenue arising from exchanges of goods or services are shown above:	101 281 172	87 020 820
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	25 814 661	28 280 202
	-	-
Transfer revenue		
Government grants & subsidies	282 035 154	293 840 422
Fines, Penalties and Forfeits	50 884 525	2 412 594
	358 734 340	324 533 218
22. Service charges		
Sale of electricity	70 744 781	65 903 934
Refuse removal	6 505 954	3 683 589
	77 250 735	69 587 523
23. Other revenue		
Recovery of fruitless and wasteful expenditure	1 121 410	855 425
Other income	6 976 694	745 883
	8 098 104	1 601 308
24. Investment revenue		
Interest revenue		
Bank and investments	2 889 230	3 633 200
Interest charged on trade and other receivables	6 468 973	5 872 341
Interest received on Eskom deposits	-	657 104
	9 358 203	10 162 645

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

25. Property rates

Rates received

Rates levied	34 382 559	34 546 732
Less: Income forgone (Property rates rebates)	(8 567 898)	(6 266 530)
	25 814 661	28 280 202

Valuations

Residential	2 079 180 990	1 979 249 192
Commercial	870 856 000	850 751 264
State	86 949 000	56 245 045
Municipal	1 458 710 780	1 202 538 134
Small holdings and farms	3 363 008 440	3 194 309 145
Social	57 468 100	33 257 240
	7 916 171 310	7 316 350 020

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2012. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general Supplementary roll was implemented on 1 July 2014.

The municipality is billing 11430 properties at zero tariff, the properties are classified as per attached Annexure A. The 8828 properties are unknown according to the Windeed records and the municipality Valuation Roll therefore the municipality will not bill such properties according to the Municipal Property Rates Act. The municipality is charging 156 properties at zero rate as they correctly belong EMLM. The 1385 and 7 properties in Elandooring B and A respectively comprise of the RDP houses build on the National public work ERF which is awaiting transfer to the rightful beneficiaries. The note should be taken that Elandsdoring B is not yet proclaimed as such charging the property rates will still be expted by the MPRA. Noting that Hlogotlou and Motetema are proclaimed and under normal circumstances the municipality is expected to charged property rates, the municipality will undertake the investigation and eventually correct the ownership thereof.

Notes:

- 1 Mpumalanga Province, Nkangala District
- 2 Land belongs to Magoshi
- 3 National Public Works and the property is under Mpumalanga Province
- 4 Land belongs to Magoshi
- 5 Land belongs to Magoshi
- 6 Land belongs to Magoshi
- 7 Land belongs to Magoshi
- 8 The properties are in old Township area were no Title Deeds are never issued
- 9 Land belongs to Magoshi

Area	Total properties	Total Search	Owner identified	Owners not identified	Notes
Dennilton	30.00	30.00	30.00		
Motetema	76.00	74.00		76.00	
Elandsdoring A	106.00	106.00		106.00	
Elandsdoring B	1337.00	22.00	1315.00	22.00	
Elandsdoring E	75.00	75.00		75.00	
Elandsdoring C	196.00	196.00		196.00	
Total	1714.00	399.00	1315.00	399.00	

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Figures in Rand 2017 2016

Hlogotlou 1		188.00		188.00	
Hlogotlou 2		201.00	106.00	95.00	
Hlogotlou 3		199.00		199.00	
Total	1504.00	588.00	106.00	482.00	
Laersdrift	198.00	198.00	198.00		1
Uitspanning 1	46.00				2
Uitspanning 2	187.00	188.00			
Total	431.00	386.00	198.00		
Waterval 1		195.00	195.00		
Waterval 2		215.00	215.00		
Waterval 3		196.00	196.00		
Waterval 4		198.00	198.00		
Waterval 5		164.00	164.00		
Total	968.00	968.00	968.00		3
Groblersdal	46.00	1.00	45.00	1.00	
Zaaiplaas_85	934.00				4
Zondasfontein_86	1493.00				5
Kwa Ngolovane_35	1372.00				6
Farms_90	3.00	3.00	1.00	2.00	
Phucukani	1026.00				7
Roossenekal	12.00	12.00	7.00	5.00	
Elandoorn	902.00				8
Elanddorn B	761.00				9
Total	1663.00				
Summary					
	4 886.00	16.00	53.00	8.00	
	106.00	104.00	30.00	76.00	
	6 280.00	2 341.00	2 587.00	881.00	
Total	11 272.00	2 461.00	2 670.00	965.00	

TOTAL NUMBER OF PROPERTIES	11 272
OWNERS IDENTIFIED	2 670
UNREGISTERED OWNERS	965
PROPERTIES/LAND BELONGING TO MAKGOSHI	5632
R26 TOWNSHIP, TITLE DEED N/A BY LAW	902
MPUMALANGA PROPERTIES	1103

26. Grants and subsidies paid

Expenditure on specific conditional grants received
Electricity Subsidies

707 968

313 378

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
27. Government grants and subsidies		
Operating grants		
Equitable share	210 385 000	212 959 000
Local Government Financial Management Grant	1 625 000	1 600 000
Municipal Systems Improvement Grant	-	930 000
Expanded Public Works Programme Integrated Grant for Municipalities	1 095 000	1 163 000
	213 105 000	216 652 000
Capital grants		
Municipal Infrastructure Grant (MIG)	56 119 115	67 188 422
Integrated National Electrification Programme Grant (INEP)	12 811 039	10 000 000
	68 930 154	77 188 422
	282 035 154	293 840 422
Municipal Infrastructure Grant (MIG)		
Balance unspent at beginning of year	-	14 637 422
Current-year receipts	72 419 000	53 102 000
Conditions met - transferred to revenue	(56 119 115)	(67 188 422)
Amount paid back to NRF	-	(551 000)
Conditions still to be met - transferred to liabilities	(16 299 885)	-
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Financial Management Grant (FMG)		
Current-year receipts	1 625 000	1 600 000
Conditions met - transferred to revenue	(1 625 000)	(1 600 000)
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Provide explanations of conditions still to be met and other relevant information.		
Municipal Systems Improvement Grant		
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(930 000)
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Provide explanations of conditions still to be met and other relevant information.		

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Figures in Rand	2017	2016
Land Affairs Grant		
Balance unspent at beginning of year	466 250	466 250
Conditions still to be met - remain liabilities (see note 16).		
Provide explanations of conditions still to be met and other relevant information.		
DME-Integrated national Electrification Programme Grant		
Balance unspent at beginning of year	1 108 473	1 108 473
Current-year receipts	13 000 000	10 000 000
Conditions met - transferred to revenue	(12 811 512)	(10 000 000)
Amount paid back to NRF	(1 108 473)	-
Conditions still to be met - transferred to liabilities	189 434	(1 108 473)
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Provide explanations of conditions still to be met and other relevant information.		
Expanded Public Works Programme Integrated Grant for Municipalities (EPWP)		
Current-year receipts	1 095 000	1 163 000
Conditions met - transferred to revenue	(1 095 000)	(1 163 000)
	-	-
Conditions still to be met - remain liabilities (see note 16).		

ELIAS MOTSOLEDI LOCAL MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
28. Employee related costs		
Acting allowances	413 672	140 494
Basic	67 261 174	62 896 989
Bonus	5 316 590	4 882 719
Defined contribution plans	13 335 828	11 708 117
Housing benefits and allowances	151 996	136 931
Provision for Leave and bonus pay	2 520 763	2 891 857
Long-term benefits - incentive scheme	3 143 476	1 039 124
Medical aid - company contributions	4 097 808	3 477 681
Directors' remuneration as disclosed below	6 806 505	6 709 582
Overtime payments	3 362 096	3 085 191
Post Employment Medical Aid Benefits and Long Service Leave - Current Service Charge	1 737 520	1 542 217
Post Employment Medical Aid Benefits and Long Service Leave - Interest Charge	366 892	2 983 229
SDL	901 068	818 213
Travel, motor car, accommodation, subsistence and other allowances	7 778 720	5 437 455
UIF	554 034	524 917
WCA	32 594	30 890
	117 780 736	108 305 606

Not Included in the above balances is (unless stated otherwise) the remuneration for the following S55 and S56 municipal employees:

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
Remuneration of Municipal Manager (Ms RM Maredi)		
Annual Remuneration	958 307	44 667
Backpay	22 113	821 675
Car Allowance	120 000	120 000
Cell Phone Allowance	4 800	-
Contributions to Medical and Pension	71 686	61 626
Contribution to UIF and SDL	12 993	11 749
Annual Bonus	81 364	65 718
Contribution to Bargaining Council	92	87
NPA	30 000	30 000
	1 301 355	1 155 522
Director Planning and Development (Mr NW Phala)		
Annual Remuneration	892 166	872 126
Car Allowance	120 000	120 000
MGF	66 912	-
Contributions to Pension Funds	-	65 410
Annual Bonus	18 640	-
Contribution to Bargaining Council	92	87
Contribution to UIF and SDL	11 192	10 812
Back Pay	924	-
	-	110
	1 109 926	1 068 545
Remuneration of Chief Financial officer from (Mr PG Mapheto)		
Annual Remuneration	821 004	320 486
Car Allowance	120 000	60 000
Contributions to Medical and Pension Funds	16 342	9 416
Contribution to UIF and SDL	10 881	4 429
Backpay	28 106	-
Contribution to Bargaining Council	92	44
MGF	61 635	24 279
Acting Allowance	9 893	-
	1 067 953	418 654
Remuneration of Acting Chief Financial Officer		
Mr MP Mthimunye (30 May 2016 - 7 June 2016)	-	160 921
Mr ML Sebelemetja (22 May 2017 - 2 June 2017)	26 655	-
Mr B Mohlamme (7 December 2015 - 23 December 2015)	-	17 869
	26 655	178 790

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Figures in Rand	2017	2016
Remuneration of Director of Community Services (Ms GE Kegopotsemang)		
Annual Remuneration	781 117	608 367
Backpay	17 312	81 716
Car Allowance	60 000	60 000
Contributions to Medical and Pension Funds	35 857	31 745
Other	42 951	440
Contribution to UIF and SDL	10 427	9 090
Contribution to Bargaining Council	92	87
NFMW	38 954	42 233
	986 710	833 678
Remuneration of Acting Directors Community Services		
Mr MM Mokganyetji (01 March 2016 - 28 May 2016)	-	4 004
Mr C Coetzee (12 June 2017 - 30 June 2017)	5 825	-
	5 825	4 004
Remuneration of Director of Corporate Services (Mr A Mayimele)		
Annual Remuneration	756 288	559 528
Backpay	19 477	76 607
Car Allowance	145 452	133 331
Contributions to Medical and Pension	38 167	32 319
Travelling and Subsistence	-	1 350
Contribution to UIF and SDL	10 520	9 071
Contribution to Bargaining Council	92	80
NFMW	56 721	48 228
	1 026 717	860 514
Remuneration of Acting Directors Corporate Services		
Mr L Mafiri (01 March 2016 - 28 May 2016)	-	29 365
Director Infrastructure from July 2015 to January 2016 (Ms. RF Morudu)		
Annual Remuneration	-	391 628
Car Allowance	-	116 632
Termination pmt - leave	-	70 199
Contribution to UIF and SDL	-	6 770
Annual Bonus	-	47 178
Contribution to Bargaining Council	-	51
MEPF	-	70 493
	-	702 951
Remuneration of Acting Director Infrastructure		
Mr KK Mametsa (28 February 2017 - 28 May 2017) and (01 February 2016 - 30 April 2016)	55 634	90 859
Mr FM Debeila (1 September 2016 - 30 November 2016)	222 251	-
	277 885	90 859

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Figures in Rand	2017	2016
Director Strategic Management (Mr MM Kgware)		
Annual Remuneration	752 396	831 156
Car Allowance	91 661	108 000
Travel and subsistence	-	2 020
Backpay	33 124	-
Annual Bonus	100 567	69 263
MGF	55 183	62 337
Contributions to UIF and SDL	10 886	11 029
Other	20 785	-
Contribution to Bargaining Council	77	87
	1 064 679	1 083 892

Remuneration of Acting Director Planning and Development

Mr BO Sethojoa (7 December 2015 - 23 December 2015)	-	30 793
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29. Remuneration of councillors

Mayor	813 396	792 807
Speaker	715 996	659 629
Executive Committee Councillors	4 371 408	3 967 522
Ordinary Councillors	13 791 123	13 463 861
Chief Whip	625 440	602 860
Cellphone allowances - To be recovered	-	(426 110)
	20 317 363	19 060 569

In-kind benefits

The Mayor, Speaker, Chief Whip and three full time Exco councillors and seven part time Exco councillors. The three are provided with an office and secretarial support at the cost of the Council

It is certified in the accounting officer's report that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 30 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The additional disclosures as required by the Municipal Finance Management Act of 2004 as part of the MFMA disclosure note 51

Remuneration of Mayor

Public Office Remuneration	90 000	120 000
Car Allowance	160 945	-
Basic Salary	403 945	496 691
Contributions to Medical and Pension Funds	135 318	130 504
Backpay	8 604	20 045
SDL	5 906	6 121
Other - Data, cellphone, adjustments, parking and subscriptions	8 676	19 446
	813 394	792 807

Remuneration of Speaker

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Figures in Rand	2017	2016
Public Office Remuneration	90 000	120 000
Car Allowance	149 746	146 992
Basic Salary	359 882	250 416
Contributions to Medical and Pension Funds	58 929	82 795
Backpay	6 946	16 637
Subsistence Allowance	2 310	2 220
SDL	4 859	4 695
Other - Data, cellphone, adjustments, parking, subsistence allowance and subscriptions	43 322	35 874
	715 994	659 629
Remuneration of Executive Committee		
Public Office Remuneration	898 169	1 080 000
Car Allowance	1 029 036	869 094
Basic Salary	1 808 504	1 290 611
Contributions to Medical and Pension Funds	385 914	306 067
Subsistence Allowance	12 850	10 120
Other - Data, cellphone, adjustments, parking, subsistence allowance and subscriptions	158 633	279 167
Backpay	48 886	104 994
SDL	29 414	27 470
	4 371 406	3 967 523
Remuneration of Chief Whip		
Public Office Remuneration	90 000	120 000
Car Allowance	147 675	137 801
Basic Salary	266 486	221 654
Contributions to Medical and Pension Funds	89 146	83 999
Backpay	8 288	15 598
Subsistence Allowance	2 400	4 362
Other - Data, cell phone, adjustments, parking and subscriptions	21 442	19 446
	625 437	602 860
Remuneration of Ordinary Councillors		
Public Office Remuneration	3 909 589	5 742 292
Car Allowance	3 044 830	2 829 269
Basic Salary	4 195 277	2 673 652
Contributions to Medical and Pension Funds	1 231 059	770 883
Back pay	290 680	351 918
Other - Data, cell phone, adjustments, parking and subscriptions	989 345	1 000 490
Subsistence Allowance	30 090	5 390
SDL	87 583	89 968
	13 778 453	13 463 862
30. Finance costs		
Finance leases	1 426 148	2 268 424
Total interest expense, calculated using the effective interest rate of 11.25% on finance leases amounted to R 1 426 148 for June 2017 and (June 2016: R 2 268 424).		
31. Debt impairment		
Contributions to debt impairment consumers	(11 480 779)	5 689 355
Contributions to debt impairment trade and other receivables including fines	32 608 798	2 440 701
	21 128 019	8 130 056

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Figures in Rand	2017	2016
32. Bulk purchases		
Electricity	65 729 402	60 439 478
33. General expenses		
Advertising	735 577	507 316
Assets expensed	16 436 553	3 404 587
Auditing - Internal audit fee	693 051	1 023 948
Auditors remuneration - Office of AG	3 107 740	2 706 835
Bad debt - Sundry debtors from exchange transactions written off	43 751 209	(501 523)
Bank charges	386 363	349 165
Bursaries	18 500	181 201
Community services - developmental and outreach programmes	1 147 869	2 204 875
Conferences and seminars	1 014 171	6 195 974
Consulting and professional fees	24 628 996	23 200 560
Consumables	5 085 647	4 617 150
Electricity Water and Refuse - Municipal Consumption	6 986 393	879 125
Entertainment	1 326 651	397 191
Foreign exchange differences	22 830	-
IT expenses	5 113 289	6 504 491
Insurance	4 197 170	2 684 716
Landfill site - additional interest landfill rehabilitation provision	930 455	773 224
Motor vehicle expenses	484 775	1 206 618
Operation of landfill site	2 745 469	4 180 897
Postage and courier	177 751	244 067
Printing and stationery	2 385 849	5 141 024
Remuneration to Ward Committees	2 427 400	3 528 000
Security (Guarding of municipal property)	10 217 743	8 939 657
Staff welfare	2 289 294	2 023 367
Subscriptions and membership fees	1 934 940	1 268 769
Telephone and fax	5 662 824	3 755 778
Town planning - Valuation costs	3 411 645	1 649 200
Training	872 373	652 171
Travel - Subsistence reimbursement	4 185 999	4 426 877
Uniforms	549 061	21 570
	152 927 587	92 166 830
34. Auditors' remuneration		
Audit Fees as disclosed under General Expenses	3 107 740	2 706 835
35. Operating lease Income		
Operating leases - as lessor (income)		
Minimum lease payments due		
- within one year	679 819	805 917
- in second to fifth year inclusive	1 591 736	2 304 911
- later than five years	300 327	183 093
	2 571 882	3 293 921
Revenue for the year included Rental income from facilities and equipment	1 318 716	1 412 843.74

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Figures in Rand	2017	2016
36. Operating (deficit)/surplus		
Operating (deficit)/surplus for the year is stated after accounting for the following:		
Operating lease charges		
Plant and equipment		
• Contractual amounts	3 686 367	2 406 284
Lease rentals on operating lease - Other		
• Contractual amounts	3 944 603	5 969 523
	7 630 970	8 375 807
Loss on sale of property plant and equipment	(3 360 415)	(3 789 937)
Impairment on property, plant and equipment	4 041 316	402 926
Depreciation on property, plant and equipment	47 997 651	53 859 408
Employee costs	138 078 594	127 366 175
37. Cash generated from operations		
Surplus/(deficit)	(36 060 149)	40 207 860
Adjustments for:		
Depreciation and amortisation	47 997 651	53 859 408
Loss/(Gain) on sale of assets and liabilities	3 360 415	3 789 937
Movements Landfill provision	10 202	3 885 575
Investment property fair value adjustment	40 411 043	(2 671 345)
Fair value adjustments - actuarial gains and losses	(433 499)	2 012 059
Bad Debts	41 785 403	(501 523)
Assets expensed - non cash donations	16 200 778	-
Impairment deficit	4 041 316	402 926
Debt impairment	21 128 019	8 152 350
Landfill site - additional interest landfill rehabilitation provision	930 455	773 224
Movements in retirement benefit assets and liabilities	3 511 539	3 292 860
Movements in provisions	319 842	(148 836)
Deferred Income movement	(192 983)	(192 983)
Changes in working capital:		
Inventories	195 351	(761 860)
Receivables from exchange transactions	2 053 437	(397 826)
Consumer debtors	(15 958 768)	(19 530 852)
Receivables from non-exchange transactions	(48 165 639)	(1 257 496)
Payables from exchange transactions	12 033 923	9 638 156
VAT	(10 228 117)	16 744 952
Unspent conditional grants and receipts	15 380 846	(14 637 422)
Consumer deposits	20 772	81 265
	98 341 837	102 740 429

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Figures in Rand	2017	2016
38. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	28 242 196	20 389 781
Total capital commitments		
Already contracted for but not provided for	28 242 196	20 389 781
Total commitments		
Total commitments		
Authorised capital expenditure	28 242 196	20 389 781

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Finance leases - as lessee (expense)

Finance lease payments represent rentals payable by the municipality for its fleet. These rentals are negotiated for a three year term. No contingent rent is payable.

Minimum lease payments due		
- within one year	7 267 085	9 595 855
- in second to fifth year inclusive	-	7 267 085
	7 267 085	16 862 940

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	3 213 476	7 610 120
- in second to fifth year inclusive	-	2 348 223
- later than five years	-	587 056
	3 213 476	10 545 399

Operating lease payments represent rentals payable by the municipality for leased assets used in the day to day operations of the municipality. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

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39. Contingent Liabilities

Litigation is in the process against the municipality relating to disputes with employees, members of the public and contractors/suppliers rendered services and goods to the municipality and is seeking damages of R 23 364 508.17 (2017), R11 601 217 (2016), R0 (2015), R4 476 429 (2014) and R 3 454 434 (2013).

The litigation matters for the year under review are detailed below as follows:

Maboe Rachidi

Claim for damages for contumelies, assault and loss of dignity. Total estimated claim is : R 191 399.00

EMS Envirotel Energy Management (Pty) Ltd

The plaintiff is suing the municipality for damages as a result of breach of contract, the total estimated claim is : R 19 170 143

Oupa Nkosi

The plaintiff claim for damages caused on his motor vehicle during the impounding, the total estimated claim is : R 81 887.85

Mtema Mashao Consulting Engineers (Pty) Ltd

The plaintiff is suing the municipality for loss of income and unpaid invoices for services rendered, the total estimated claim is : R198 000

Mogotleng Kgaphane vs the Municipality and Department of Water and Sanitation

The plaintiff is suing the municipality for injuries sustained after he fell into an unprotected pit hole left by the municipality, the total estimated claim is : R 500 000

Rekhuditse Construction and Cleaning Services (Pty) Ltd

The plaintiff is suing the municipality for loss of income and unpaid invoices for services rendered, the total estimated claim is : R1 632 252

S.A Thekiso Investment, Ezikapaul Construction and Sekunjalo Electric and Building (pty) Ltd and Project Manager

The plaintiff is suing the municipality for unpaid invoices for services rendered, the total estimated claim is : R968 172

Naspoti J and M Security Solutions (Pty) Ltd

The plaintiff is suing the municipality for unpaid invoices for services rendered, the total estimated claim is : R59 405.32

Civil/Sekhukhune tvet college

In the matter the parties are EMLM vs SEKHUKHUNE TVET COLLEGE. The matter was heard and postponed to 11th of OCTOBER 2017 : R 243 413

Civil / Nurse Sibande // Bathabile Mahlangu

In the mater the parties are EMLM vs NURSE SIBANDE // BATHABILE MAHLANGU : R 59 836

Mokgotso and others

Alleged irregular procedures, waiting for hearing date. No amount has been claimed : R 260 000.

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Contingent assets

Litigation is in progress in favour of the municipality relating to disputes with employees, members of the public and contractors/suppliers. The municipality is likely to receive an amount of R 48 358. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount but this recovery is virtually certain.

Contingent asset for the year under review are detailed below as follows:

Thipakgolo Isaac Maditsi

The Plaintiff withdrew the action against the Municipality. Proceeding to bring Application for costs against the Plaintiff. Total estimated claim is still uncertain.

40. Related parties

Relationships

Remuneration of Councilors

Refer to Remuneration of Councilors note 29

Related party transactions

Councillors - Councillor remuneration		20 317 363	19 060 569
Post employment benefit plan for employees and/or other related parties	7	38 840 105	35 484 327
S55 and S57 Employees remuneration	28	6 867 705	6 709 582

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41. Prior period errors

The following prior year error was identified and adjusted retrospectively:

1. Audit adjustments were omitted in the June 2016 financial statements, these adjustments are adjusted in the current year as prior period error.
2. Unauthorised, irregular, fruitless and wasteful expenditure was recovered during the year from service provider, as a result the financial statements were restated to account for the recovery.
3. Inventory was reconciled and recalculated, the resulting differences are adjusted as prior period error.
4. Assets were adjusted as a result of prior period errors as follows:

Investment Properties:

The 2015/16 fair value adjustment has been reduced with R6 245

Land:

Channel of R888 256 that does not belong to the municipality has been removed.

Buildings:

New assets were found upon verification and added to buildings. This resulted in an increase in the opening carry value of the 2015/16 year of R799 442. Accumulated surplus was decreased with R544 708 and the 2015/16 depreciation was increased with R44 834

Infrastructure:

Channel of R9311.00 has been removed as the asset does not belong to the municipality

Bridges and the relating roads were included in the Asset register. This resulted in an increase of R667 103 in the closing carry value of the 2015/16 financial year. The accumulated surplus was increased with R667 103. The 2015/16 depreciation increased with R154 230

New assets were found upon field verification and added to infrastructure. This resulted in an increase in the opening carry value of the 2015/16 year of R 16 474 455. Accumulated surplus was decreased with R11 674 092.23 and the 2015/16 depreciation was increased with R1 745 042.97

New assets were found upon GIS verification and added to infrastructure. This resulted in an increase in the opening carry value of the 2016/17 year of R40 998 125. Accumulated surplus was decreased with R43 617 144 and the 2015/16 depreciation was increased with R2 629 019.

Community property:

A portion of the Elandsdoorn project that has not been completed were moved back to Work in Progress which resulted in a decrease in the carry value of the 2016/17 year of R719 663

Machinery and Equipment:

New assets were found upon verification. This resulted in an increase in the opening carry value of the 2016/17 year of R 138 002. Accumulated surplus was decreased with R180 019 and the 2015/16 depreciation was increased with R44 044. An asset that was previously incorrectly accounted for were corrected. This resulted in a decrease in depreciation of R430 773

Furniture and Fittings:

New assets were found upon verification. This resulted in an increase in the opening carry value of the 2016/17 year of R65 669. Accumulated surplus was decreased with R82 364 and the 2015/16 depreciation was increased with R16 665

Computer Equipment:

New assets were found upon verification. This resulted in an increase in the opening carry value of the 2016/17 year of R24 156. Accumulated surplus was decreased with R31 589 and the 2015/16 depreciation was increased with R7 433

Transport Assets:

New assets were found upon verification. This resulted in an increase in the opening carry value of the 2016/17 year of R2 792. Accumulated surplus was decreased with R3 651 and the 2015/16 depreciation was increased with R859

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Work in Progress:

Repairs and maintenance done on Chego to Dikgalopeng stormwater of R443 328 and project planning for a transfer station of R 442 250 was incorrectly capitalised to work in progress but should have been classified to the income statement under repairs and maintenance and Town planning respectively in the in the 2015/16 financial year.

5. During the 2016/17 financial year Stipend Ward Committee - Temp Employees was reclassified from employee costs to general expenses Remuneration to Ward Committees.

6. During the 2015/16 financial year, adjustments to bonus provision of R158 501 was captured incorrectly to long service awards bonus and Salaries bonus provision. This resulted in the balance for Long service awards provision, leave bonus provision and Salaries bonus provision expense being overstated by R 158 501.60. The current portion of the long service awards of R 533 048 was incorrectly classified under non-current portion of long service awards.

7. Repairs and maintenance done on Chego to Dikgalopeng stormwater and project planning for a transfer station was incorrectly capitalised to work in progress but should have been classified to the income statement under repairs and maintenance in the 2015/16 financial year.

The effects of correcting the errors are stated below.

8. When deferred revenue was received in cash, the Vat portion was accounted for on accrual basis. The error was corrected in the current year as a prior period adjustment with the effect of increasing output Vat payable and reducing the Value of the deferred income.

9. The municipality was billing 11430 properties at zero tariff. The 8828 properties are unknown according to the Windeed records and the municipality Valuation Roll therefore the municipality was not billing such properties according to the Municipal Property Rates Act. The municipality investigated further and and billing was done and some of the related debt was written off, The recognition of the revenue was accounted as a prior period error.

(The correction number is indicated in brackets next to the item adjusted.)

Statement of financial position	2017	2016
Accumulated surplus (1) + (2) + (4) +(9)	-	(68 668 855)
Property Plant and Equipment (4) + (7)	-	58 302 700
Payables from exchange transactions - Accrued bonus (6)	-	158 502
Provision for Long Service Leave Bonus (6)	-	158 502
Non-current portion of long service leave provision (6)	-	533 048
Current portion of long service leave provision (6)	-	(533 048)
Investment Property (4)	-	(6 245)
Vat receivable (1)+ (2) + (8)	-	(638 345)
Receivables from exchange transactions (2)	-	1 516 502
Inventory (3)	-	9 631
Deferred income (8)	-	594 386
Payables from exchange transactions (1)	-	(529 387)
Consumer debtors Electricity (1)	-	492 805
Consumer Deposits (1)	-	(492 805)
Consumer debtors (9)	-	9 944 084
		841 475

Statement of Financial Performance

General Expenses - Inventory consumed (3)	-	(9 631)
Stipend Ward Committee - Temp Employees (5)	-	(3 528 000)
Remuneration to Ward Committees (5)	-	3 528 000
Property rates (9)	-	(5 885 140)
Recoveries (2)	-	(855 425)
Depreciation (4)	-	4 131 392
Repairs and maintainance (7)	-	443 328
Consulting and professional fees (1)	-	1 123 679
Bulk purchases (1)	-	78 830
Investment property fair value adjustment (1)	-	6 245
Town planning - Valuation costs (7)	-	442 250
Employees related cost - Provision for bonuses (6)	-	(317 003)
		(841 475)

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As a result of prior period errors, the cash flow June 2016 was restated to reflect accurate figures.

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42. Risk management

Capital risk management

The municipality's objectives when managing capital are to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality as disclosed in the cash and cash equivalents note, 14, and equity as disclosed in the statement of financial position.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying requirements for service delivery funding, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. The municipality is able to cover the current and future commitments from available funds at a ratio of 0.76 times from the accumulated investment balances.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The municipality analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. All items of financial liabilities are less than one year from settlement.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	June 2017	June 2016
Receivables - From Exchange Transactions	1 619 232	3 810 318
Receivables - From Non Exchange Transactions	19 547 729	3 990 888
Consumer Debtors - From Exchange Transactions	10 218 774	19 101 923
Consumer Debtors - From Non Exchange Transactions	9 303 846	15 879 980

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43. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

44. Events after the reporting date

There were no material non-adjusting events after the reporting period.

45. Unauthorised expenditure

Opening balance	53 997 955	-
Condoned by Council resolution no BT17/18-09	(53 997 955)	53 997 955
Incurred during the year	80 123 905	-
	80 123 905	53 997 955

The above June 2016 unauthorised expenditure is due to the misclassification of the depreciation to the amount of R 35 million in the appropriation statement and the difference of R 19 million is also due misclassification of expenditures per vote. The overall municipal budget is not overspent however the expenditures will be reported to Council in terms of the MFMA.

The unauthorised expenditure incurred in the current financial year relates to the bad debts impairment on consumer debtors and Traffic fines provisions which was not adequately provided for during budget allocations. The balance will be provided to Council for consideration in terms of MFMA in 2017/2018 financial year.

46. Fruitless and wasteful expenditure

Opening balance	11 839 600	11 614 706
Incurred during the year	625 089	224 894
	12 464 689	11 839 600

During the financial year the Council resolved in its Special Council Meeting held on the 31 August 2017 resolution number MPAC 17/18-01 to write-off the fruitless and wasteful expenditures amounting to R 9 203 570 as reported for the year ending 30 June 2016, in view of recommendations from MPAC committee in terms of Circular 68 of the MFMA. The expenditures will be removed from the financial statements on condonation by the National Treasury.

Analysis of expenditure awaiting condonation per age classification

Current year	625 089	209 049
Prior years	11 788 480	11 578 286
	12 413 569	11 787 335

Details of fruitless and wasteful expenditure

Fruitless and wasteful expenditure - Interest paid on late payments	To be submitted to Council in 2017/2018	31 945
Compensation Fund Commission penalty	To be submitted to Council in 2017/2018	284 008
Legal fees paid on settlement of former CFO case	Matter still under judicial process	2 583 765
		2 899 718

47. Irregular expenditure

Opening balance - Adjusted and restated (7)	135 139 646	69 990 685
Add: Irregular Expenditure - current year (Recurring from the contractual commitments from the previous years)	64 535 003	65 148 961
	199 674 649	135 139 646

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During the financial year the Council resolved in its Special Council Meeting held on the 31 August 2017 resolution number MPAC 17/18-01 to write-off irregular expenditures amounting to R 134 939 000 as reported for the year ending 30 June 2016, in view of recommendations from MPAC committee in terms of Circular 68 of the MFMA. The expenditures will be removed from the financial statements on condonation by the National Treasury.

Analysis of expenditure awaiting condonation per age classification

Current year	64 535 003	65 148 961
Prior years	135 139 646	69 990 685
	199 674 649	135 139 646

Details of irregular expenditure current year

Opening balance		69 911 908.00	
2012 Payment on Security Services	Expenditure recoverable		811 376
2012 Excess payment on Internal Audit	Under investigation		893 149
2012 Excess payment on Electronic filling systems	Under investigation		591 415
2013 Payment on Repairs and Maintenance	Under investigation		356 575
2013 Excess overtime paid	Under investigation - Restatement		44 187
2013 Excess payment on Internal Audit	Under Investigation		173 947
2013 SCM procedures not followed	Under investigation		17 939 970
2013 SCM procedures not followed	Under investigation		3 245 709
2014 SCM procedures not followed	Under investigation		25 224 038
2015 SCM procedures not followed	Under investigation		15 633 819
2015 Overpayment of Councilors cellphone	Under investigation		432 720
2015 SCM Payments made to connected persons or companies - conflict of interest	Investigated		6 603 496
SCM procedures not followed condoned by Council	Condoned during the year	(69 911 908)	(2 038 493)
2017 SCM procedures not followed	Awaiting council consideration	64 535 003	
		64 535 003	69 911 908

48. Additional disclosure in terms of Municipal Finance Management Act

Electricity distribution losses

Losses incurred - units		16 148 505	9 915 702
% loss incurred		23.000 %	14.030 %
Purchased units		(70 124 717)	(70 676 711)
Sold units		53 976 212	60 760 768
		-	-
Losses incurred - Rand value	-	21 199 619	8 330 222
% loss incurred	-	44.000 %	14.030 %
Purchased units Rand value	-	(47 450 775)	(59 374 357)
Sold units Rand value	-	68 650 395	58 541 335
	-	-	-

The above losses are as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status / condition and age of the network, weather conditions and load on the system as well as non-technical losses, e.g. theft and vandalism, as a result the losses are not recoverable. The illegal electricity connection in Roosenekal contributed to the significant losses incurred in electricity distribution in 2016/2017 financial year.

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SALGA Fees

Current year subscription / fee	1 100 233	1 162 269
Amount paid - current year	(1 100 233)	(1 162 269)
	-	-

PAYE and UIF

Current year subscription / fee	17 817 919	15 758 609
Amount paid - current year	(17 817 919)	(15 758 609)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	30 762 233	27 461 512
Amount paid - current year	(30 762 233)	(27 461 512)
	-	-

VAT

VAT receivable	21 742 970	11 514 853
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VAT output payables and VAT input receivables are shown in note 12.

All VAT returns have been submitted by the due date throughout the year. The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Due to the accrual basis of accounting applied the amount disclosed for VAT include the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of vat movement items. In terms of the prescribed guidelines only the nett VAT receivable or payable are disclosed.

The following Councilors had arrear accounts outstanding for more than 90 days at 30 June 2016:

30 June 2016	Non Current - Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr Mahlangu MD	42	372	414
Cllr Mahlangu AB	174	1 772	1 946
Cllr Maloba AM	106	1 006	1 112
Cllr Mahlase KS	68	687	755
	390	3 837	4 227

49. Deferred income

Operating lease payments received in advance	4 052 631	4 245 614
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Operating lease payment received in advance have been utilized in accordance with the Municipal Finance Management Act. Sufficient resources are set aside to ensure that the liability can be serviced in the future.

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50. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Goods and services were procured through quotations totaling **R1 439 730.70** during the financial year under review and the process followed in procuring those goods and services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

The table below reflects deviations for the year.

Service Provider	Description of Goods and/or Services	Reason for Deviation	Legislation	Amount
Automotor Traffic Signal Co. (Pty) Ltd	Poles and traffic apparatus	Emergency	Section 36 of Supply Chain Management Regulations	52 497.00
Plant Machinery King	250 ah deepcycle solar batteries	Emergency	Section 36 of Supply Chain Management Regulations	47 252.80
Supa Quick	Repair of 13 tyres punctures for a grader and 2 tubes for tlb	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	8 837.24
Sollys	Repair of engine for overheating for CKJ 492 L	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	25 489.18
Supa Quick	Repair of 5 tyres punctures for a grader and consumables	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	4 213.06
Marutlwa Trading	Water bottles for the community meeting	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	45 000.00
T.M Auto Nissan	Repair of clutch and diff for BYH 674 L	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	24 727.40
Forest and Garden	Repair of lamnmower	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	74 138.00
Phil-Modi Enterprise	Unblocking of ablution block	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	30 000.00
Supa Quick	Repair of three tractor tyres and consumables	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	3 023.80
Forest and Garden	Repair of chainsaw	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	2 333.99
Forest and Garden	Replacement of tyres for lawnmower	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	1 759.92
Tamarayi Transport	Water bottles for the mayoral outreach	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	13 500.00
Mmn Engineering	Repair of vehicle engine	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	32 262.00
Mmn Engineering	Repair of vehicle engine	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	26 334.00
Mmn Engineering	Repair of vehicle diff and radiator	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	42 636.00
Digital Voice Processing	Provision for communication system at chamber	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	297 592.44
Supa Quick	Tyre repair and consumables	Ratification Approved by the Accounting Officer	Section 36 of Supply Chain Management Regulations	5 670.11

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Sha-Hennes Guesthouse	Accommodation bookings for fifty five officials attending saimsa sports at Mahikeng	Impractical or impossible to follow the official procurement processes	Section 36 of Supply Chain Management Regulations	232 155.00
Kdm Travel Express	Accommodation	Impractical or impossible to follow the official procurement processes	Section 36 of Supply Chain Management Regulations	8 940.00
Institute Of Municipal Finance Officers	Conference	Goods and services available from a single provider	Section 36 of Supply Chain Management Regulations	91 602.00
Chartered Institute Of Government Finance, Audit & Risk Officers	Conference	Goods and services available from a single provider	Section 36 of Supply Chain Management Regulations	28 077.25
Truvello Manufacturers	Calibration of pro lazer speed machine	Goods or services are available from a single source	Section 36 of Supply Chain Management Regulations	3 563.79
Van Schaik Bookstore	Study materials / textbook for the library	Goods or services are available from a single source	Section 36 of Supply Chain Management Regulations	3 425.40
Rotex Motor Cycles	Service of motor cycle	Goods or services are available from a single source	Section 36 of Supply Chain Management Regulations	2 251.14
Loskop Dam Forever Resort	Accommodation and two conference room for Sixty One councillors	Goods or services are available from a single provider	Section 36 of Supply Chain Management Regulations	316 373.00
Forest and Garden	Repair of lawnmower	Goods and services available from a single provider	Section 36 of Supply Chain Management Regulations	16 076.18
Cheap Cheap travel	Travel and Accommodation	Impractical or impossible to follow the official procurement proces	Section 36 of Supply Chain Management Regulations	92 263
Hlaudi Consulting	Forensic Investigation	Impractical or impossible to follow the official procurement proces	Section 36 of Supply Chain Management Regulation	686 000
Mme O Mphile Construction Services	Catering	Impractical or impossible to follow the official procurement process	Section 36 of Supply Chain Management Regulations	81 880

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51. Public Office Holders Remuneration

All Public Officers	Basic Salary	Backpay	Public Office Allowance	Travel Allowance	Other Receipts	Pension Fund and Medical Aid	Skills Contribution	Grand Total
Cllr JL MATHEBE (MAYOR)	403 945.35	8 604.29	90 000.00	4 236.31	165 385.22	135 318.79	5 906.38	813 396.34
Cllr MD TLADI (SPEAKER)	359 881.27	6 945.84	90 000.00	2 662.57	192 716.73	58 929.34	4 859.79	715 995.54
Cllr TM PHAHLAMOHLAKA (CHIEF WHIP)	266 486.12	8 288.15	90 000.00	3 177.13	164 038.91	89 146.88	4 302.86	625 440.05
Cllr HJ MAKUNYANE (MPAC)	250 396.24	12 665.24	70 000.00	4 855.01	152 593.34	51 208.55	3 665.12	545 383.50
Cllr R ALBERTS (EXCO MEMBER)	51 993.96	5 453.37	78 169.36	2 090.46	117 205.47	24 310.44	1 805.80	281 028.86
Cllr JP KOTZE (EXCO MEMBER)	166 484.65	4 136.34	90 000.00	1 378.78	87 926.92	-	2 856.58	352 783.27
Cllr TJ LEPOTA (EXCO MEMBER)	38 899.58	-	10 000.00	-	16 269.64	4 634.59	547.19	70 351.00
Cllr TA MACHIPA (EXCO MEMBER)	263 080.52	6 512.12	70 000.00	2 496.31	156 973.26	52 845.36	3 771.31	555 678.88
Cllr AM MALOBA (EXCO MEMBER)	111 281.01	3 596.82	90 000.00	1 378.78	87 925.90	55 204.66	2 293.84	351 681.01
Cllr EM MASEMOLA (EXCO MEMBER)	37 124.01	-	10 000.00	-	16 270.60	6 409.20	551.69	70 355.50
Cllr MS MASHILO (EXCO MEMBER)	135 208.60	3 596.82	90 000.00	1 378.78	97 721.46	31 276.11	2 260.56	361 442.33
Cllr KC SHAI (EXCO MEMBER)	120 545.47	3 596.82	80 000.00	1 378.78	86 059.68	31 276.11	2 039.90	324 896.76
Cllr GD MATJOMANE (EXCO MEMBER)	297 885.88	8 288.12	90 000.00	3 177.13	163 331.58	57 746.35	4 215.45	624 644.51
Cllr TN MMUTLE (EXCO MEMBER)	133 346.05	3 596.82	90 000.00	1 378.78	93 408.42	33 138.66	2 232.62	357 101.35
Cllr MJ MOHLALA (EXCO MEMBER)	18 229.10	-	10 000.00	-	9 260.45	2 561.15	294.77	40 345.47
Cllr A PHATLANE (EXCO MEMBER)	278 426.72	6 512.12	90 000.00	2 496.31	152 416.57	55 235.72	3 956.76	589 044.20
Cllr JJ SKOSANA (EXCO MEMBER)	20 790.25	-	10 000.00	-	9 260.45	-	333.18	40 383.88
Cllr MG PHETLA (EXCO MEMBER)	135 208.40	3 596.82	90 000.00	1 378.78	87 956.06	31 276.11	2 254.55	351 670.72
Cllr MA MPHELA	66 118.64	5 453.37	70 000.00	2 090.46	71 597.18	22 050.48	1 462.97	238 773.10
Cllr MZ BUTA	16 661.76	-	10 000.00	-	8 682.99	2 255.06	276.01	37 875.82
Cllr ML MAMAKOKO	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr LM MOIMA	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.73
Cllr AM MAKWEOANE	66 119.39	5 453.37	70 000.00	2 090.46	71 355.50	22 049.73	1 462.99	238 531.44
Cllr RSA KABINIE	18 916.82	-	10 000.00	-	8 682.99	-	309.83	37 909.64
Cllr SW RATLOU	102 712.55	6 999.05	70 000.00	2 682.97	98 382.72	28 298.22	1 905.92	310 981.43
Cllr RM RATAU	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr KF MADISA	98 956.28	12 393.72	70 000.00	2 682.97	84 272.18	27 242.74	1 866.73	297 434.62
Cllr GR NAMANE	66 118.64	5 453.37	70 000.00	2 090.46	71 597.38	22 050.48	1 462.97	238 773.30
Cllr TA PHOROTLHOE	102 712.55	6 999.05	70 000.00	2 682.97	86 533.84	28 298.22	1 905.92	299 132.55
Cllr B BOGOPA	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr BM ZULU	66 118.64	5 453.37	70 000.00	2 090.46	70 725.50	22 050.48	1 462.97	237 901.42
Cllr TT RATAU	66 118.64	5 453.37	70 000.00	2 090.46	72 086.90	22 050.48	1 462.97	239 262.82
Cllr MF MADIHLABA	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr P MASIMULA	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr WJ SKHOSANA	66 118.64	5 453.37	70 000.00	2 090.46	71 597.18	22 050.48	1 462.97	238 773.10
Cllr MM MAEPA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr AB MAHLANGU	18 916.82	-	10 000.00	-	8 682.99	-	309.83	37 909.64
Cllr J MAHLANGU	69 483.26	6 940.65	90 000.00	2 660.58	76 072.66	24 136.19	1 607.14	270 900.48
Cllr GM MAKEKE	66 118.64	5 453.37	70 000.00	2 090.46	72 759.38	22 050.48	1 462.97	239 935.30
Cllr MM MATSEPE	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr EM MAPHOPHA	66 118.64	5 453.37	70 000.00	2 090.46	71 355.01	22 050.48	1 462.97	238 530.93
Cllr MD MAHLANGU	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr NN MAHLANGU	115 720.23	6 999.05	90 000.00	2 682.97	89 574.14	30 859.37	2 132.91	337 968.67
Cllr MK MOKWANE	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr TS MAHLANGU	39 783.87	-	10 000.00	-	17 315.54	7 138.33	589.44	74 827.18
Cllr SM MAIPUSHE	66 118.64	5 453.37	70 000.00	2 090.46	71 597.18	22 050.48	1 462.97	238 773.10
Cllr KS MAHLASE	16 526.46	-	10 000.00	-	8 682.99	2 390.36	273.98	37 873.79
Cllr KS KGOPA	66 118.64	5 453.37	70 000.00	2 090.46	72 105.98	22 050.48	1 462.97	239 281.90
Cllr MR MSIZA	102 712.55	6 999.05	70 000.00	2 682.97	86 293.84	28 298.22	1 905.92	298 892.55
Cllr MN MALATJI	109 580.51	6 999.05	90 000.00	2 682.97	99 245.28	30 160.84	2 135.70	340 804.35
Cllr MS MALEKANE	41 364.36	-	10 000.00	-	6 898.64	1 862.62	510.72	60 636.34
Cllr DS MAMAILA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr VCP MADONDO	66 118.64	5 453.37	70 000.00	2 090.46	71 201.50	22 050.48	1 462.97	238 377.42
Cllr MS MARAPI	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr MS MASELELA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr HS MASHIFANE	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr WM MATEMANE	6 809.12	-	10 378.38	-	6 898.64	5 940.68	215.90	30 242.72
Cllr MT MOHLALA	65 756.29	5 453.37	70 000.00	2 090.46	73 412.42	21 996.13	1 459.85	240 168.52
Cllr SM MATHALE	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr MNS OOSTHUIZEN	66 118.64	5 453.37	70 000.00	2 090.46	70 725.50	22 050.48	1 462.97	237 901.42
Cllr MP TSHIVHULA	66 118.64	5 453.37	70 000.00	2 090.46	71 597.18	22 050.48	1 462.97	238 773.10
Cllr MZ HLATHI	66 118.64	5 453.37	70 000.00	2 090.46	71 698.94	22 050.48	1 462.97	238 874.85
Cllr VM LECHEKO	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr SZ NGWENYA	58 314.04	5 453.37	70 000.00	2 090.46	68 133.10	20 187.86	1 375.91	225 554.74
Cllr MS MATLALA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr MB NTULI	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr MT MOSOTHO	66 118.64	5 453.37	70 000.00	2 090.46	70 725.50	22 050.48	1 462.97	237 901.42
Cllr M RANALA	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42

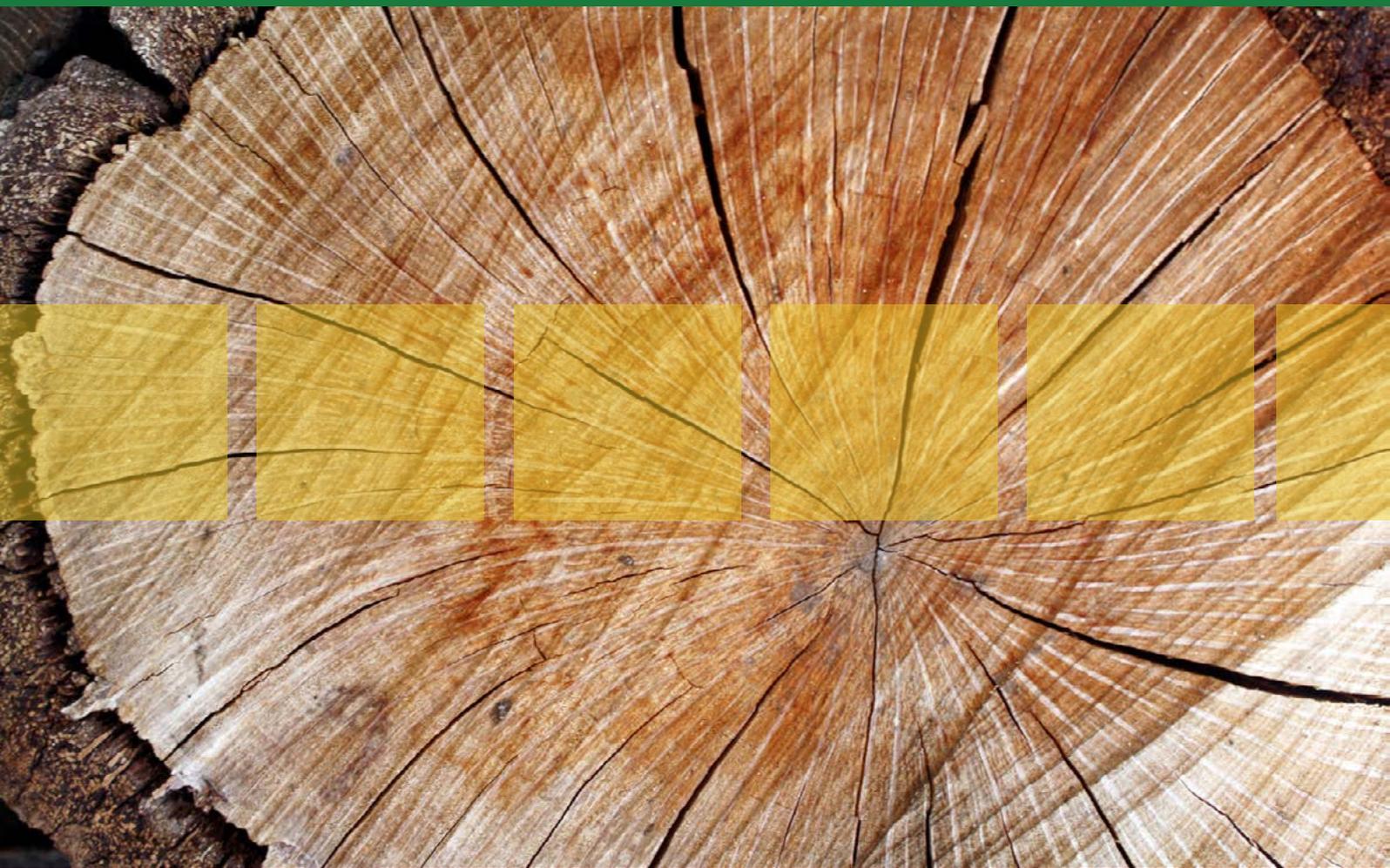
ELIAS MOTSOLEDI LOCAL MUNICIPALITY

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Cllr TM NTHEKO	66 118.64	5 453.37	70 000.00	2 090.46	70 725.50	22 050.48	1 462.97	237 901.42
Cllr VL MTHOMBENI	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr RJ MAKITLA	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr RN NDLOVU	66 118.64	5 453.37	70 000.00	2 090.46	71 597.18	22 050.48	1 462.97	238 773.10
Cllr NT MATUNYANE	66 118.64	5 453.37	70 000.00	2 090.46	71 355.50	22 050.48	1 462.97	238 531.42
Cllr TS MATSEPE	71 345.88	6 940.65	90 000.00	2 660.58	73 904.82	22 273.57	1 635.09	268 760.59
Cllr MP MATSHIPA	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr ST MATSOMANE	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr SH MEHLAPE	85 431.39	12 393.72	78 614.66	2 682.97	108 457.53	75 564.10	2 489.55	365 633.92
Cllr CT MHLANGA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr VV MOGANEDI	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr FM MOGOTJI	78 407.22	5 453.37	90 000.00	2 090.46	75 071.07	22 050.48	1 709.52	274 782.12
Cllr MP MOKGABUDI	11 265.56	-	10 000.00	-	6 898.65	1 862.62	209.73	30 236.55
Cllr MT MOKGANYETSI	110 336.41	6 999.05	90 000.00	2 682.97	86 153.59	28 298.22	2 071.49	326 541.73
Cllr OE MOTAU	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr MG MOTLAFE	51 734.41	6 940.65	90 000.00	2 660.58	82 789.52	41 885.04	1 718.01	277 728.21
Cllr DM MZINYANE	18 916.82	-	10 000.00	-	8 682.99	-	309.83	37 909.64
Cllr ME NDULI	16 526.46	-	10 000.00	-	8 682.99	2 390.36	273.98	37 873.79
Cllr SF NKOSI	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr TJ NTULI	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr ML PHALA	93 619.45	7 411.63	90 000.00	2 470.54	73 868.84	-	2 051.87	269 422.33
Cllr RJ PODILE	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr SL SKOSANA	6 809.12	-	10 595.69	-	6 898.64	5 723.37	214.82	30 241.64
Cllr LH TSHOMA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr MS TSHOMA	11 265.56	-	10 000.00	-	6 898.64	1 862.62	209.73	30 236.55
Cllr MF RAKOENA	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr MW RAMPHISA	71 568.97	5 453.37	90 000.00	2 090.46	72 791.64	22 050.48	1 622.91	265 577.83
Cllr MP MOKONE	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr I MOKGOMOGANE	13 128.18	-	10 000.00	-	6 898.64	-	237.68	30 264.50
Cllr NA MOTONG	13 128.18	-	10 000.00	-	6 297.64	-	231.67	29 657.49
Cllr CN MATHEBE	77 110.12	6 940.65	90 000.00	2 660.58	71 773.48	18 548.33	1 739.92	268 773.08
	7 034 094.34	372 760.24	5 077 758.09	139 116.16	5 661 197.39	1 900 369.28	132 067.04	20 317 362.54



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