



ELIAS MOTSOLEDI

LOCAL MUNICIPALITY

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ANNUAL REPORT 2018/2019



**“The agro-economical
and ecotourism
heartland”**



ELIAS MOTSOALEDI

LOCAL MUNICIPALITY

ANNUAL REPORT **2018/19**

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TABLE OF CONTENTS

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY 10

Component A: Mayor's foreword	11
Component B: Executive summary	13
1.1 Municipal Manager's overview	15
1.2 Municipal functions, population and environmental overview	15
1.3 Service delivery overview	17
1.4 Financial health overview	18
1.5 Organizational development overview	18
1.6 Workplace Skills Plan (WSP)	19
1.7 Statutory annual report process	19

CHAPTER 2: GOVERNANCE 20

Component A: Political and administrative governance	21
2.1 Political governance	21
2.2 Administrative governance	37
Component B: Intergovernmental relations	38
2.3 Intergovernmental Relations	40
Component C: Public accountability and participation	41
2.4 Overview of public accountability and participation	41
2.5 Public meetings	43
2.6 IDP participation and alignment	61
Component D: Corporate Governance	62
2.7 Risk management	62
2.8 Public satisfaction survey	63
2.9 Supply chain management	63
2.10 By-Laws	64
2.11 Website	65
2.12 Audit committee	65

CHAPTER 3: SERVICE DELIVERY PERFORMANCE 66

Component A: Basic Services	67
3.1 Electricity	67
3.2 Waste Management	68
3.3 Free basic services and indigent support	70
Component B: Roads transport	71
3.4 Transport overview	71
3.5 Performance on Roads	71
Component C: Planning and Development	75
3.6 Planning overview	75
3.7 Local economic development	76
Component D: Community and Social Services	79
3.8 Libraries	79
3.9 Cemeteries	79
3.10 Safety and Security	79
Component I: Corporate policy offices and other services	81
3.11 Executive and council	81
3.12 Human resources	81
3.13 Information Technology	81
Component J: Performance Report (Institutional Scorecard)	82

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE 101

Component A: Introduction to the municipal personnel	102
4.1 Employee totals, turnover and vacancies	102
Component B: Managing the municipal workforce	104
4.2 Policies	104
4.3 Injuries, sickness and suspension	105
4.4 Performance management	106
Component C: Capacitating the municipal workforce	107
4.5 Skills development and training	107
Component D: Managing the workforce expenditure	108
4.6 Employee expenditure	108
4.7 Disclosure of financial interest	108

CHAPTER 5: FINANCIAL PERFORMANCE

109

Component A: Statement of financial performance	110
5.1 Statement of financial performance	111
5.2 Grants	114
5.3 Assets management	115
5.4 Financial ratios	116
Component B: Spending against capital budget	118
5.5 Capital Expenditure	118
5.6 Sources of finance	119
5.7 Capital spending on 5 largest projects	120
5.8 Basic service and infrastructure backlogs	121
Component C: Cash flow management and investments	122
5.9 Cash flow	123
5.10 Borrowing and investment	124
5.11 Public private partnership	126
Component D: Other financial matters	126
5.12 Supply chain management	126
5.13 GRAP compliance	126
5.14 Service Providers Performance	128

CHAPTER 6: AUDIT GENERAL REPORT

132

Component A: Auditor General Opinion of Financial Statements	133
6.1 Auditor General report 2016/2017	138
6.2 Component B: Auditor General's Opinion 2016/2017	139
6.3 Municipal Manager and Chief Financial Officer's comments	139
6.4 Audit Committee's Comments	139
6.5 Audit Action Plan	140

APPENDICES

152

Appendix A - Councillors, committee allocation and council attendance	152
Appendix B - Committees and committee purposes	155
Appendix C - Third tier administrative structure	156
Appendix D - Functions of municipality/entity	157
Appendix E - Ward reporting	158
Appendix F - Ward information	166
Appendix G - Recommendations of municipal audit committee 2016/2017	166
Appendix H - Long term contracts and public private partnerships	176
Appendix I - Disclosure of financial interests	177
Appendix J - Conditional grants received: excluding MIG	177
Appendix K - Revenue Collection Performance	178
Appendix L - Conditional Grants Received: Excluding MIG	180
Appendix M - Capital expenditure new and upgrade /renewal programmes including mig	180
Appendix N - Capital programme by project year 2018/2019	181
Appendix O - Capital programme by project by ward 2018/2019	182
Appendix P - Service connection backlogs at schools and clinics	182
Appendix Q - Service backlogs experienced by community where another sphere of government is responsible for service provision	183
Appendix R - Declaration of loans and grants made by municipality	183
Appendix S - Declaration of returns not made in due time under MFMA S71	183
Oversight Report for the 2018/2019 Annual Report	184
Audited Financial Statements	191

ACRONYMS

AG	:	Auditor General
AFS	:	Annual Financial Statements
ANC	:	African National Congress
AIDS	:	Acquired immunodeficiency syndrome
BPSA	:	Bolshevik Party of South Africa
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
CPMD	:	Certificate Programme in Management Development
CWP	:	Community Works Programme
EMLM	:	Elias Motsoaledi Local Municipality
DA	:	Democratic Alliance
EFF	:	Economic Freedom Fighters
EPWP	:	Expanded Public Works Programme

ACRONYMS (continued)

ESS	:	Employee Self Service
EXCO	:	Executive Committee
FBE	:	Free Basic Electricity
GIS	:	Geographic Information System
GRAP	:	General Recognized Accounting Practice
HIV	:	human immunodeficiency virus
HR	:	Human Resources
ICT	:	Information Communication Technology
IDP	:	Integrated Development Plan
INEP	:	Integrated National Electrification Program
KM	:	Kilometre
LAC	:	Local AIDS Council
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
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
Mscoa	:	Municipal Standard Charts of Accounts
N/A	:	Not applicable
NARSA	:	National Archive Regulation of South Africa
OHS	:	Occupational Health and Safety
PMS	:	Performance Management System
SAMEBA	:	South African Maintenance and Estate Beneficiaries Association
SCM	:	Supply Chain Management
SDBIP	:	Service Delivery and Budget Implementation Plan
SDM	:	Sekhukhune District Municipality
SMME	:	Small, Medium and Micro Enterprises
SPLUMA	:	Spatial Planning and Land Use Management Act
TB	:	Tuber Colossus
WSP	:	Work Skill Plan



ELIAS MOTSOALEDI

LOCAL MUNICIPALITY

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



Mayor's Foreword and Executive Summary



MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Councillor: Julia Lata Mathebe
Mayor: Elias Motsoaledi
Local Municipality



COMPONENT A: MAYOR'S FOREWORD

1.1 MAYOR'S FOREWORD

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 dawn 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 2018/2019 Annual Report to our residents and other interested parties. The 2018/2019 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
- 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. for the year under review, 7.71km of roads were constructed, 70km gravelled and 536.6km bladed.. Municipality is licensed to provide electricity in 2 wards, ward 13 and ward 30 (Groblersdal and Roosenekaal areas). The other 29 wards are Eskom licensed areas. Municipality has a backlog of 4% (3268) households without electricity.

A total number of 55698 Households (96.%) has access to Electricity (serviced both Eskom and EMLM). Total number of 1188 households were electrified in three villages namely Makaepea, Tambo village and Masakaneng. Municipality in collaboration with Department of Public Works created 1760 work opportunities through EPWP and CWP programmes. In addition, the Gold Rush Gaming Group has created 43 permanent employment opportunities by opening a new branch at Groblersdal Regional Mall.

PUBLIC PARTICIPATION

Municipality has 310 ward committees made out of 31 wards. Ward committees together with ward councillors conducts public meetings in their respective wards and submit monthly reports to the Speaker. During the year under review 27 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 2019/2020 IDP and Budget process where communities were given an opportunity to raise their needs to be incorporated in the 2019/2020 IDP and budget and only prioritized and budgeted needs were incorporated in the reviewed 2019/2020 IDP and budget for implementation.

AGREEMENTS / PARTNERSHIPS

Municipality is partnering with NYDA for implementation of entrepreneurship artisan programme for youth development.

CONCLUSION

I wish to thank all councillors, staff, and resident's stakeholders in particular rate payers for their contributions to pay for services. Together we strive to take our municipality forward.



.....
J. L. MATHEBE
MAYOR

EXECUTIVE SUMMARY

M.M Kgwale
Acting Municipal Manager



COMPONENT B: EXECUTIVE SUMMARY

1.2 EXECUTIVE SUMMARY

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 2019/2020 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

Municipality does not have sharing of powers with any entity nor the sector departments. It only monitors some of the projects which are implemented by sector departments within the jurisdiction of the municipality such as housing projects. The municipality also signs the memorandum of understanding with the Department of Roads on behalf of licensing functions and Department of Public Works for EPWP projects

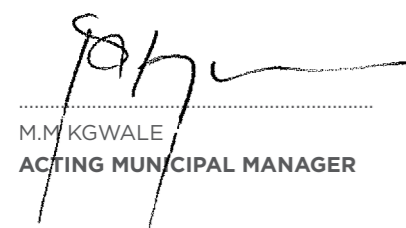
The Municipality had a total revenue budget of R540, 685 million that was adjusted upwards to R549, 746 million during budget adjustment. The actual revenue realized is R402, 773 million and this resulted in under-performance variance of R146, 973 million. All gazetted grants and subsidies amounting to R313, 986 million as well as an additional MIG allocation of R8 million and R21 million from COGHSTA were received during the financial year under review and they contributed a major portion of source of funding for capital budget of the municipality and the grants dependency rate was 77% on capital expenditure budget and 74% on revenue budget. The municipality had unspent Municipal Infrastructure Grant (MIG) of R3, 558 million and COGHSTA of R21, 771 million in 2018/19 financial year and it applied for the roll over that was approved by National Treasury. Other conditional grants that is FMG and EPWP achieved 100% spending.

For the year under review, the municipality obtained Qualified audit opinion which is a regress from previous financial year 2017/2018 where municipality obtained Unqualified audit opinion.

Municipality has 07 senior manager positions 06 filled and 01 vacant (CFO) and municipal manager on suspension. 06 senior managers concluded their performance agreements. 2017/2018 performance assessments were conducted and no one qualified for performance bonus. 2018/2019 Mid-year performance were also assessed. All assessments took place in February 2019.

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



M.M. KGWALE
ACTING 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 Bronkhorstspuit, 115 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 Middelburg.

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 31 Wards and 61 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
• Air pollution	• Billboards and the display of advertisements in public places
• Building regulations	• Cemeteries, funeral parlours and crematoria
• Child care facilities	• Cleansing
• Electricity and gas reticulation	• Control of public nuisances
• Local tourism	• Control of undertakings that sell liquor to the public
• Municipal planning	• Facilities for the accommodation, care and burial of animals
• Municipal public transport	• Fencing and fences
• Municipal public works	• Local sport facilities
• Storm-water management systems in built-up areas	• Municipal parks and recreation
• Trading regulations	• Municipal road
	• Public places
	• Refuse removal, refuse dumps and solid waste disposal
	• Street trading
	• Street lighting
	• Traffic and parking

1.2.1 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 Community Survey 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

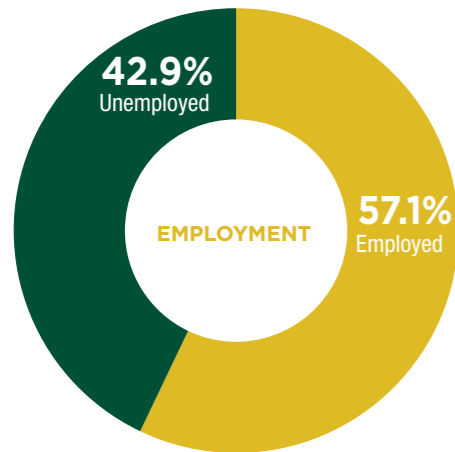
Table 4: Household by Ethnic and Gender Group

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

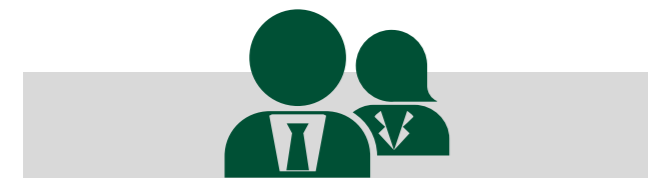
Table 5: Economic profile (employment)



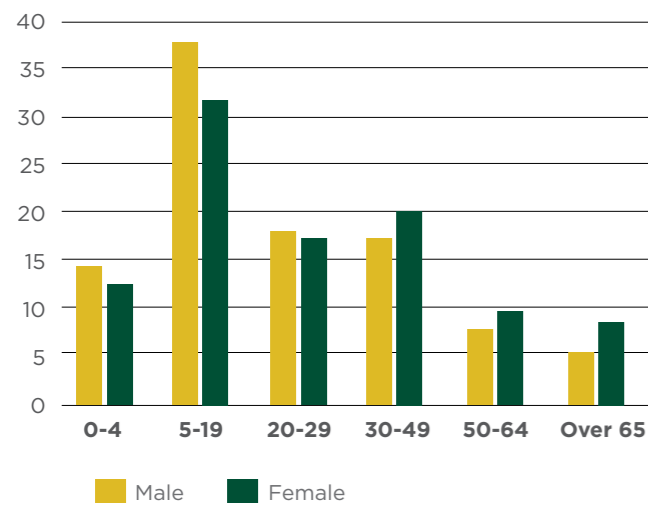
Source: Stats SA Census 2011

- 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 (2011)



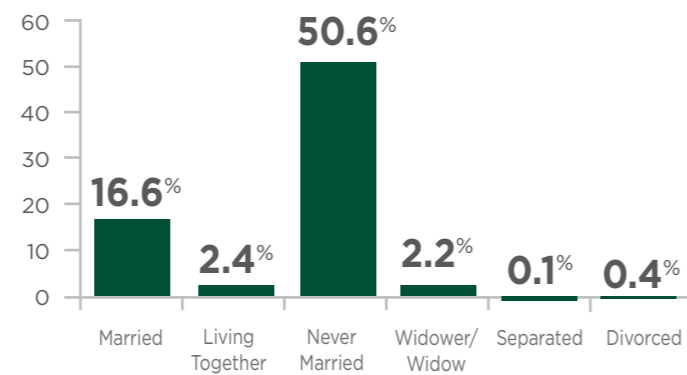
Source: Stats SA Census 2011

Table 6: Language Preference within the municipality

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



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	%
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 person 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. for the year under review, 7.71km of roads were constructed, 70km gravelled and 536.6km bladed. 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 4% (3268) households without electricity. A total number of 55698 Households (96.%) has access to Electricity (served both Eskom and EMLM). Total number of 1188 households were electrified in three villages namely Makaepa, Tambo village and Masakaneng. Municipality in collaboration with Department of Public Works created 1760 work opportunities through EPWP and CWP programmes. In addition, the Gold Rush Gaming Group has created 43 permanent employment opportunities by opening a new branch at Groblersdal Regional Mall.

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

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 R540, 685 million that was adjusted upwards to R549, 746 million during budget adjustment. The actual revenue realized is R402, 773 million and this resulted in under-performance variance of R146, 973 million. All gazetted grants and subsidies amounting to R313, 986 million as well as an additional MIG allocation of R8 million and R21 million from COGHSTA were received during the financial year under review and they contributed a major portion of source of funding for capital budget of the municipality and the grants dependency rate was 77% on capital expenditure budget and 74% on revenue budget. The municipality had unspent Municipal Infrastructure Grant (MIG) of R3, 558 million and COGHSTA of R21, 771 million in 2018/19 financial year and the roll over still need to be applied for the unspent portion of conditional grants. The other conditional grants, that is FMG and EPWP achieved 100% spending.

1.5.1 EXPENDITURE

The original budget for operating expenditure was R471, 308 million that was adjusted downwards to R449, 168 million and the actual expenditure thereof is R409, 840 million. This reflects a positive variance of R39, 328 million. The major portion of operating expenditure is employee related cost that had original budget of R134, 149 million and the budget was adjusted downwards to R130, 473 million and the actual expenditure thereof is R138, 708 million and this reflected over-spending variance of R8, 235 million that is attributed to long service award and post retirement employee benefit obligation.

Table 12: Summary of financial overview

Details	Financial Overview - 2018/19 R'000		
	Original Budget	Adjustment Budget	Actual
Grants	309 180	339 328	313 986
Taxes, levies and tariffs	138 196	122 935	118 378
Other	93 309	87 483	39 071
Sub -Total	540 685	549 746	471 435
Less Expenditure	- 471 308	- 449 168	- 409 840
Net Total	69 377	100 578	61 595

Table 13: Operating ratios

Operating Ratios	
Detail	%
Employee Costs	39,51%
Repairs & Maintenance	0,01%
Capital cost	0,39%

Table 14: Total capital expenditure

Detail	Total Capital Expenditure (R'000)	
	2017/18	2018/19
Original Budget	77 302	75 869
Adjustment Budget	110 949	97 258
Actual	108 124	68 708

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 361 employees. The municipality has 07 critical positions (senior managers) six (06) were filled and one (01) was vacant (Chief Financial Officer). At the end of the financial year, the position for CFO was advertised and the Accounting Officer was on suspension.

1.6.2 COMMITTEES

The Municipality established the following committees as per the prescripts in strengthening the human resource management.

- Local Labour Forum Committee
- Occupational Health and Safety Committee
- Training and Development Committee
- Employment Equity Committee/ Affirmative Action Committee
- EAP committee
- Batho Pele committee

1.6.3 BURSARIES

Municipality assisted 20 students with registration fees at registered tertiary institutions to the value of R212 000. Preference was awarded to students from poor family backgrounds.

1.6.4 WORKPLACE SKILLS PLAN (WSP)

Municipality has developed the WSP for the year for 2018/2019 and it was submitted to LGSETA during April (month) 2017 together with the Annual Training report for the year under review. 61 employees and 12 councillors received training for the year under review. No mandatory grants in the form of rebates were received from the LGSETA for the year under review.

1.7 AUDITOR GENERAL'S REPORT

The audit finding for 2018/2019 financial year was an unqualified opinion; refer to the attached Auditor General report on chapter 6. Municipality qualified 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	2015/2016	2016/2017	2018/2019
1	Property rates	Revenue. Unknown properties on the valuation roll	(Not applicable)
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 2018/2019

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.

Table 16: statutory annual report process

No	Activity	Date	Responsibility
1	Finalise 4th quarter report for previous financial year	30 July 2019	Municipal Manager
3	Audit/Performance Committee considers draft annual report of municipality	17 August 2019	Municipal Manager
4	Municipality submits draft annual report, including the consolidated annual financial statements and the performance report, to the Auditor General.	31 August 2019	Municipal Manager
5	Auditor General assesses draft annual report, including the consolidated annual financial statements and performance data	31 August - 28 November 2019	Auditor General
6	Municipalities receive and start to address the Auditor General's comments	30 November 2019	Municipal Manager
7	Mayor tables annual report and audited financial statements to council, complete with the Auditor General's Report	24 January 2020	Mayor
8	Audited annual report is made public and representation is invited	29 January 2020	Municipal Manager
9	MPAC Committee assesses the annual report	07-08 March 2020	MPAC Chairperson
10	Council adopts oversight report	26 March 2020	Council
11	Oversight report is made public	01 April 2020	Municipal Manager
12	Oversight report is submitted to relevant provincial councils	01 April 2020	Municipal Manager



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

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. These 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 of chairing 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.

The 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. The Council of the municipality is composed as follows; 54 part-time Councillors, 7 full-time Councillors namely Mayor, Speaker, Chiefwhip, MPAC Chairperson and three members of the Executive committee of council (EXCO) which consist of ten of the council members.

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 4 ordinary and 7 special meetings.

In order to enhance good governance and accountability, Municipality adopted separation of powers model, which separated legislative arm from executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit EMLM communities. Council has established section 79 committees to play oversight role and monitor the work of the executive and administration.

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	12	12	14
Executive Support	12	09	03	07
Finance Department	12	09	09	05
Infrastructure Department	12	13	13	35
Development Planning	12	10	10	4
Community Services				
Labour Forum	12	12	12	14
EXCO	11	11	11	9
Special EXCO	-	5	5	4
Council	4	4	4	
Special Council	-	15	15	
MPAC	4	12	12	12
SCM committees				
Specification	As and when			
Evaluation	As and when	9	9	9
Adjudication	As and when	9	9	9

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
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	Phorothoe	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	M	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

WARD	PARTY	SURNAME	FULL NAMES	GENDER	CONTACT NO.
21	ANC	Makeke	George Monnana	M	078 423 2127
22	ANC	Matsepe	Motlalekgomo 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
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
PR7	ANC	Phetla	Mannyane Grace	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
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 Topsision	F	078 423 2124

Table 3: Executive committee members

Surname and Initials	Party	Ward no./ PR	Contact No	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: Ratlou S.W	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.

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	10	10	4
	Ward Committee				
	Julia Maredi				
	Simphiwe Mahlangu				
	Jane Sibiloane				
	Martha Nxumalo				
	Junior Thethe				
	Anges Mmotong				
	Simphiwe Mthombeni				
	Samual Phasha				
	Christa kotelo Mabodika				
	Kgati Maepa				

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 02	Cllr Phatlane A	Yes	9	9	4
	Ward Committee				
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot (Deceased)				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
	Boroko Kodisang Mathews				
Ward No 03	Cllr Mamakoko M.L	Yes	08	08	4
	Ward Committee				
	Mputsu David Mahlangu				
	Sonia Magashule				
	Marie Mokwala				
	Matron Mokwana				
	Stephina Modiba				
	Mary Tshego				
	Mmapula Kgaphola				
	Delige Mothibi				
	Lucy Kgaphola				
	Frans Makua				
Ward No 04	Cllr Moima L.M	Yes	09	09	4
	Ward Committee				
	Dipuo Mashabela				
	Lebogang Dinba				
	Kanyane Mphahlele				
	Makitla Sello				
	Fatima Thabethe				
	Selina Matlou				
	Lucas Mathimunyane				
	Kenneth Malapele				
	Anges Ramphisa				
	Israel Malapela				

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 05	Cllr Makweoane	Yes	8	8	4
	Ward Committee				
	Violet Mashigo				
	Fannie Nkambule				
	Monicca Makgatsela				
	Sharleen Mphake				
	Mankwe Mokgabudi				
	Petrus Matentshi				
	Mapaseka Mokgabudi				
	Leshate Mashabela				
	Nelson Mogano				
	Thili Lepota				
Ward No 06	Cllr Ndlovu R.N	Yes	10	10	4
	Ward Committee				
	Thethan Mahlangu				
	Ntombi Mahlaba				
	Nokuthula Reginah				
	Winile Ndlangamandla				
	Zakhele Hlathi				
	Sipho Mandlazi				
	Adelaide Limakwe				
	Zanele Magubane				
	Delisa Joseph				
	Popi Mashego				
Ward No 07	Cllr:Phala Lucas	Yes	4	4	4
	Ward Committees:				
	Philimon Moshiga				
	Brenda Phasha				
	Nomsa Sibeko				
	Glass Makatelele				
	Jan Mtshweni				
	Busisiwe Magolego				
	Tebogo Mokgoadi				
	Ericca Makuwa				
	Benjamane masweu				
	Simon Thipe				

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 08	Cllr Ratlou S.W	Yes	11	11	4
	Ward committees				
	Charlotte Mogudi				
	Moshingwaneng Ditshego				
	Isaiah Mahlangu				
	Annah Wessels				
	Friedah Phetla				
	Bangiswane Mthombeni				
	Resigned				
	Albert Mafa				
	Resigned				
	Gloria Rahlogo				
Ward No 09	Cllr Ratau R.M	Yes	08	08	4
	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	09	09	4
	Ward Committees:				
	Zandra Makitla				
	Mathebe Rebbeca				
	Katlego Sifoleshe Madire				
	Modupi Mohlamanyane				
	Ivy Madisa				
	Zodwa Ngele				
	Sandra Ramphisa				
	Mathebe Buti				
	.Malefahlo Mokgase				
	Mohlamonyane Motsumi				

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 11	Cllr Namane G.R	Yes	02	02	1
	Ward Committees:				
	Wonderboy Cekhu				
	Delane Mugeru				
	Eleoner Matlou				
	Sepadi Mampuru				
	Malelula leepo				
	Samora Madisa				
	Rina Mutha				
	Moses Mafiri				
	Thobile Mathibedi				
	Anges setoto Magopa				
Ward No 12	Cllr Phorothloe	Yes	10	10	4
	Ward Committees				
	Mmadisele Mathebe				
	Moleme Podile				
	Mmalehu Mohlala				
	Mothaku Namane				
	Calvin Mathunyane				
	Elizabeth Monageng				
	Doctor Nakedi				
	Alfred Makitla				
	Betty Mathebe				
	Klass Mathebe				
Ward No 13	Cllr Oosthuizen W.N.S	Yes	09	09	1
	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 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 14	Cllr: Bogopa B	Yes	04	04	4
	Ward Committees:				
	Bareng Mphahlele(Resigned)				
	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	07	07	4
	Ward Committees:				
	Lucas Zwane				
	Rinah Mahlangu				
	Job Tshepo Mokwena				
	Sbongile Nkosi				
	Sibongile Masilela				
	Thomas Mthombeni				
	Johannah Mashiya				
	Malehu Mokoana				
	Jan Masimula				
	Msanomnlane Mahlangu				
Ward No 16	Cllr: Zulu B.M	Yes	4	4	3
	Ward Committees:				
	Mapule Mokgolokgotho(removed)				
	Jabulane Mahlangu				
	Sarah Skosana				
	Fanie Makua				
	December Msitsa				
	Sinah Mahlangu				
	Maria Mthimunyane				
	Nick Mgidi				
	Khomotso Maphosa(not on IEC roll)				
	Kodin Skhosana				

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 17	Cllr: Ratau T.T	Yes	5	5	2
	Ward Committees:				
	Irene Mokwana				
	Moetana Mohlala				
	Rankepile Mabelane				
	Kagiso Mabelane				
	Gabriel Magashula				
	Jeaneth Motshana				
	Motlalepule Madihlaba				
	Freddy Nkadimeng(decease)				
	Andries Hlabishe				
	Annah Masemola				
Ward No 18	Cllr: Machipa T.A	Yes	12	12	4
	Ward Committees:				
	Martha Mohlahlo				
	Jamis Chego				
	Maria Tshehla				
	Mojalefa Rankwe				
	Tumishi Mohlahlo				
	Annah Mnguni				
	Elsa Fenyane(resigned)				
	Sydney Phetla				
	Shemeng Mtshweni				
	Maria Makuwa				
Ward No 19	Cllr: Masimula P	Yes	5	5	4
	Ward Committees:				
	Sophi Masemola				
	Amos Gabril				
	Sinkie Skosana				
	Ranapo Chigo				
	Rose Mtshweni				
	Keneth Mahlangu				
	Shabangu Dlalabaphi				
	Getrude Mashiane				
	Mahlangu Khonzepi				
	Nkosinathi Machuka				

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 20	Cllr Skhosana W.J	Yes	8	8	4
	Ward Committees:				
	Monica Madihlaba				
	Lina Makaleng				
	Felicia Mokoana				
	Zodwa Mokwena				
	Nteseng Madihlaba				
	Patricia Sekgala				
	Shima Monaedi				
	Thabo Skosana				
	Debora Maredi				
	Thapedi Ietageng				
Ward No 21	Cllr: Makeke G.M	Yes	9	9	4
	Ward Committees:				
	Mavis Theresia Mthimunye				
	David Skhosana				
	Joel Mohlahlo				
	Khoza Dipuo				
	Kate Matenchi				
	Lejatau Seroka				
	Elsie Mamonyane				
	Sonnyboy Sekele				
	Dorcas Makeke				
	Motlapele Nkgudi				
Ward No 22	Cllr Matsepe M.M	Yes	07	07	3
	Ward Committees:				
	Mathibela Mashego				
	Annah Radingwana				
	Frans Mdebele				
	Tebogo Tau				
	Stephina Mokwal				
	Thabo Radingwana				
	Leah Tshoma				
	Jan Mashilanwako				
	Patrick Moramaga				
	Lindiwe Maleka				

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 23	Cllr:Mahlangu Nomsa	No	04	04	4
	Ward Committees:				
	Regina Ntuli				
	Lydia Lerobane				
	Jimmy Masemola				
	Thokozile Ntuli				
	Milzon Madihlaba				
	Busisiwe Motha				
	Simon Sithole				
	Rose Mokoana				
	Sipho Mahlangu				
	Sylvia Chego				
Ward No 24	Cllr: M.M	Yes	10	10	4
	Ward Committees:				
	Isaac Maladi				
	Mpotsing Mtshweni				
	Prince Maloma				
	Meshack Thobejane				
	Dorothy Makeke				
	Maputana Moloko				
	Martha Monareng				
	Thabeng Nyalungu				
	Elizabeth Mathunyane				
	Amos Tshoma				
Ward No 25	Cllr: Maphopha E.M	Yes	9	9	4
	Ward Committees:				
	Jane Lekala				
	Makgadi Malatji				
	Joseph Tsim				
	Julia Mohlala				
	Lerato Skosane				
	Jack Motsana				
	Reneilwe Rampedi				
	khomotso Ramphisa				
	Francinah Mampuru				
	Thobole Matsepe				

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 26	Cllr:Motlafe M. G	Yes	8	8	4
	Ward Committees:				
	Sepedi Mohlala				
	Mmantwe Tagane				
	Matlakala Knowledge				
	Ditau Magampa (removed)				
	Deborah Mashabela				
	Dazie Msiza				
	Amos Chabedi				
	Mapule Mmuledi				
	Karabo Matshingwane				
	Mmabatshele Matsepe				
	Matladi Tshepho				
Ward No 27	Cllr: Mokwane M.K	Yes	07	07	3
	Ward Committees:				
	Job Matladi				
	Lebogang Choma				
	Tebatso Sihlangu				
	Mogudi Meba				
	Dudu Mokadi				
	Frans Tlaka				
	Motebu Arimbi				
	Thabo Makua				
	Caroline Mantsolo				
	Thandi makuwa				
Ward No 28	Cllr:Maipushe S.M	Yes	10	10	4
	Ward Committees:				
	Klass Maredi				
	Modupi Fenyane				
	Evah Matuludi				
	Prudence Skosana				
	Pratick Tladi				
	Rachel Mohlala				
	Amos Ntobeng				
	Sarah Pheladi				
	Lucas Aphane				
	Victor Seopela				

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 29	Cllr: Malatji M.N	Yes	11	11	4
	Ward Committees:				
	Thuso Makuwa				
	Reginah Makuwa				
	Lindiwe Mahlangu				
	Grace Malatji				
	Diale Motla				
	Caroline Matjomane				
	Victor Diago				
	Thabang Fenyane				
	Gautana Matsumane				
	Lazarus Rakgalakane				
Ward No 30	Cllr: Kgopa K.S	Yes	5	5	4
	Ward Committees:				
	Ammina Magakwe				
	Sebutjwane Maduna				
	Seraki Motstsa				
	Jim Molapo				
	Bongi Maabane				
	Thabiso Matenji				
	Mahlonoko Riba				
	Patricia Mokwena				
	Sinky Kodi				
	Lina Masango				
Ward No 31	Cllr : Msiza M.R	Yes	8	8	4
	Ward Committees:				
	Gladys Maake				
	Kgaogelo Dikotope (deceased)				
	Alfred Manasoe				
	Moses simpho				
	Peter Tsokela				
	Lombard Mamogobo				
	Lebogang Mpunga(Resigned)				
	Ramosohlo Kgongane				
	Enny Matsepe				
	Prince Thobejane				

Table 4: Section 79 portfolio committees

COMMITTEE	CHAIRPERSON	MEMBERS
Municipal Public Accounts Committee (MPAC)	Clr. Hlako Justice Makunyane	1. Clr. M.S. Mhlala 2. Clr. G.M. Motlape 3. Clr. G.M. Makeke 4. Clr. J. Mahlangu 5. Clr. V.M Lecheko 6. Clr. M.L. Phala 7. Clr. S.H. Mehlaphe
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. Phorothoe 5. Clr. M.N. Malatji 6. Clr. P. Madondo
Ethics	Clr. M.L. Phala	1. Clr. M.G. Motlape 2. Clr. G.M. Makeke 3. Clr. J. Mahlangu 4. Clr. T.M. Phahlamohlaka 5. Clr. A. Phatlane 6. Clr. V.L Mthobeni 7. Clr. N.T. Matunyane 8. Cllr M.P. Tshivhula
Executive Support	Clr. T.M. Phorothoe	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
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

SECTION 79 PORTFOLIO COMMITTEES

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. Motlape 10. Traditional Authorities in Council	
Committee of Presiding Officers	Speaker Chair of Chairs	Clr. M.D. Tladi Clr. S.H. Mehlape
Leader of Executive Business	Clr A. Machipa	
Council Whippers	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	
	POLITICAL PARTY	COUNCILOR
	ANC	1. Clr. M.L. Phala 2. Clr. M.G. Motlape 3. Clr. S.H. Mehlape 4. Clr. G.M. Makeke 5. Clr. J. Mahlangu
Sekhukhune District Representatives	DA EFF	6. Clr. C.N. Mathebe 1. Clr. M.T. Mosotho

SECTION 80 COMMITTEES

COMMITTEE	CHAIRPERSON	MEMBERS
Budget & Treasury	Clr. T.A. Machipa	1. Clr. T.A. Phoroithoe 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
Infrastructure	Clr Matjomane G.D	1. Clr Mkganyetji TM 2. Clr Zulu M.K 3. Clr Makweoane Mk 4. Clr Momwane M.K 5. Clr Kotze 6. Clr Shai K.C
Community Services	Clr Mashilo S.M	1. Clr Maphopha E.M 2. Clr Moima L.M 3. Clr Bogopa B 4. Clr Maloba 5. 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 Ratlou S.W	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

2.1.2 POLITICAL LEADERSHIP

Councillor
Julia Lata Mathebe
Mayor



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.

Councillor
Magetle David Tladi
Speaker of Council



POWERS AND FUNCTIONS OF THE SPEAKER

- To preside at meetings of the council where he/she is present;
- To ensure that the council meets at least quarterly;
- To ensure compliance with the code of conduct for councillors, standing rules and order and other relevant governing laws 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.
- Ensures that councillor's motions are prepared and timeously tabled in terms of the procedural rules of Council

Clr Phalamohlaka
Tebogo Mafereke
Chief Whip of Council



POWERS AND FUNCTIONS OF COUNCIL WHIP

The Notice on the Upper Limits on Councillor Remuneration has introduced the Office of the Whip of Council in 2006. The Chief 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. The Council of EMLM resolved to include and elect a Chief Whip in its structure, 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
 - 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



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 Ratlou Sefako Winter
Political Head Development 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

- 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;
- To report to council on all decisions taken by it; and 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;

2.1.3 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 services are 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.

The municipality during the financial year under review (2018 / 2019) advertised and filled the following Senior Management post namely: Development Planning. By the end of the financial year, there was only one vacant post of Chief Financial Officer. The administrative components of the municipality comprise of seven (7) senior managers and 27 divisional 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. Mokoale	Female
	Chief Risk Officer	Mr L. K. Mathebe	Male
	Manager: IDP	Mr. K. J Motha	Male
	Manager: PMS	Ms R.P. Mdluli	Female
	Manager: Legal services	Ms PZP. Masutha	Female
Executive Support	Senior manager : Executive support	Mr. M M Kgwale	Male
	Manager: Communications	Mr. S. T Makua	Male
	Manager: Council Support	Mrs M Burger	Female
	Manager: IGR	Mr. M. J. Mathebe	Male
	Manager: Mayor Support	Vacant	
Corporate Services	Senior Manager : Corporate Services	Mr. N.D Matumane	Male
	Manager: Human Resources and Development	Mr. L.M. Mafiri	Male
	Manager: Administration and Records	Mr. G.M Ditshego	Male
	Manager: ICT	Mr T. L. Mashaba	Male
Finance	Chief Financial Officer	Vacant	-
	Deputy CFO	Mr. M.L. Sebelemetja	Male
	Manager: Expenditure	Mr. C. Mtsweni	Male
	Manager: Budget and Treasury	Ms. K.U Sebelebele	Female
	Manager: Assets	Mr. M. C Tjiane	Male
	Manager: Supply Chain Management	Mr M P. Mthimunye	Male
	Manager: Revenue	Vacant	-
Infrastructure	Senior Manager : Infrastructure	Ms. M.R Makgata	Female
	Electrical Engineer	Mr K.K. Mametsa	Male
	Manager: PMU	Mr. F. Debeila	Male
	Superintendent Roads Construction Unit	Mr. J Malaka	Male
Community Services	Senior manager: Community Services	Ms. E Kegopotsemang	Female
	Manager: Environmental services	Ms M Mokhulwane	Female
	Manager: Licensing	Ms. M.V Matlala	Female
	Manager: Traffic	Mr. C Coetzee	Male
	Manager: Fleet	Mr. V Masilela	Male
	Manager: Hlogotlou	Mr. L. A Madiba	Male
	Manager: Roosenekal	Mr. M.J Maboja	Male
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. Sethojoa	Male
	Manager: LED	Mr Sebei	Male
	Manager: Property Management and Housing	Mr. R Palmer	Male

2.2 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.

2.2.1 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 Environmental	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.

2.2.3 Provincial intergovernmental structures

Section 16 of 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.

2.3 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.

2.3.1 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 states 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-

- ii. The preparation, implementation and review of its integrated development plan in terms of Chapter 5;
- iii. the establishment, implementation and review of its performance management system in terms of Chapter 6;
- iv. the monitoring and review of its performance, including the outcomes and impact of such performance;
- v. the preparation of its budget; and
- vi. strategic decisions relating to the provision of municipal services in terms of Chapter 8;

b. contribute to building the capacity of-

- vii. the local community to enable it to participate in the affairs of the municipality; and
- viii. 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. The people 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.

During the year under review, the Mayor embarked on four outreach programs as per the SDBIP. amongst the numerous interactions she had with communities. The first Mayor's Outreach was held on the 13th September 2018 with Groblersdal Business Community to engage on economic dynamics of the town and the surrounding areas. This Outreach was held as a sectoral initiative to engage directly with the relevant stakeholders. The five Traditional leaders within EMLM also formed part of the gathering. Among issues raised was the revitalization of Groblersdal as most buildings in CBD were not occupied because of the new mall. Stakeholders also emphasised the promotion and support of the Agricultural sector which is the main contributor to economic development of EMLM.

As part of contribution from the local traditional leaders, the municipality was encouraged to develop a program fro refuse removal in villages to enhance revenue collection.

The second Mayoral Outreach was held on the 26 September 2018 as part of Heritage celebrations. The Hon Mayor hosted the EMLM Traditional Health Practitioners as key stakeholders. The Traditional Health Practitioners Act 22 of 2007 was established to ensure to establishment of the Interim Traditional Health Practitioners Council of South Africa.

The Traditional Health Practitioners Program falls with the office of the Deputy President of the Republic and works in collaboration with Health Minister. The Act identified the folloeing four categories of traditional health practice:

- Herbalism
- Divination
- Traditional birth attendant's practice
- Traditional surgeon

The event was convened to strengthen partnership with the local structure of traditional healers.

After violent service delivery protest in Masakaneng, ward 14, the Hon Mayor hosted an outreach with Masakaneng community to resolve service delivery challenges. The event was held on the 29th March 2019. This event was as well treated as an official handover of electrification project of Masakaneng informal settlement. The following are some of the service delivery issues raised.

- Electrification of the two portions of Masakaneng
- Weekly mobile clinic visit
- Construction of school in Masakaneng
- Maintenance of roads

The first and last outreach was held in a form of State of the Municipal Address in Monsterlus, Hlogotlou Stadium on the 28th May 2019. This event was informed by Chapter 4 of Municipal Systems Act No. 32 of 2000 which encourages municipalities to develop a culture of municipal governance that compliments formal representative government with a system of participatory governance and must for this purpose encourage and create conditions for local communities to participate in the affairs of the municipality.

The aim of the event was for the Mayor to present the status of service delivery commitments from the 2018/19 financial year and the future plans i.e. 2019/20 service delivery plans. The SOMA Outreach was coupled with Council meeting to approve budget and IDP.

2.3.2 Communication, participation and forums

Communication and engagement approaches of the municipality plays an important role in contributing to the public's understanding of public service and their engagement with local issues.

Public participation in the municipality is coordinated through the ward committee, petitions committee, public hearings, and IDP and Budget public participation meetings and Mayoral Izimbizos. These forums are also utilized as report back platforms on service delivery matters. The Speaker of Council plays an important role in coordinating public participation. The municipality uses notice boards, website, newspapers, rates payers and Facebook page to spread information, new plans, budget priorities, etc. The work of the Unit is informed by the municipal communications policy and communication strategy, which centralises the communications function in the Communications Unit.

The ward committee structures are used to narrow the gap between the municipality and communities, since ward committees have the knowledge and understanding of the residents and communities they represent. Community Development Workers (CDWs) act as a link between accessing communities in relation to community development initiatives/ programmes.

The IDP forum is constituted by Councillors representatives from business organisations, Magoši, ward committee,

CDW, NGOs/ CBOs, government departments, parastatal organizations, Communication forum, Budget steering committee and stakeholder representatives of unorganized groups. The representatives are given an opportunity to represent community interests and contribute knowledge and ideas, building consensus and support for the planning process itself, and ensuring a broader ownership of the outcomes.

Media briefings are held to update the media about the latest information of the municipality. Bulk sms system is used to disseminate prompt information to the community.

2.3.2.1 Municipal communication platforms

Social Media

The Municipality uses social media platforms, as part of its communication tool offering, to communicate with residents. Communications Unit is the custodian of Municipal social media account, it also maintains social media accounts by implementing daily posts, responding to service delivery queries and general information about municipal services. The municipal social media account is: <https://m.facebook.com/eliasmotsoaledi.localmunicipality>

Radio Programme

Radio is one of the Municipality's main communication tools to convey service delivery messages across municipal jurisdiction. Priority for radio interviews is mainly given to political principals, Municipal Manager and the spokesperson/Manager Public Relations to engage directly with residents on municipal plans and programmes and to listen and respond to community complaints.

Municipal Website

The website is the main electronic communication platform for the Municipality to communicate with residents. The updated website continues to ensure that the public has access to the latest information and improvement in the usage of the website included adding some easy to access quick links on the homepage as and when major projects go live;

Newsletter

The Newsletter is one of the Municipality's external communication tools to disseminate information to residents. Municipality utilises newsletters to inform public about municipal decisions and developments. The platform is part of municipal strategy to enhance external engagement to cultivate a culture of engagements.

2.3.3 Ward Committees

EMLM established ward committees in terms of Municipal Structures Act of 1998 and it has 310 ward committee members, which is 10 members per ward. All wards managed to elect ward committee members. Ward committees they report to Speakers office on a monthly basis. For the year under review, two ward committee conference were held.

Ward Committees assist members of the community by advising, assisting in organising community meetings and enable them to participate in those public meetings and take decisions that will take service delivery

2.3.4 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 public meetings were held in different wards. All public meetings held were beneficial.

PUBLIC MEETINGS								
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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
01	Community meeting	08/07/2018	01	00	059	• Reservoir exposed without top cover	Yes	Community meeting
		07/10/2018	01	00	018	• Regravelling of roads program is too short to cover a vast ward	No	Community meeting
		11/01/2019	01	00	044	• 22 RDPs finished and handed over to beneficiaries	Yes	Community meeting
		22/02/2019	01	00	042	• Local businesses not benefiting from government services done in the ward	No	Community meeting
		01/05/2019	01	00	031	• Shortage of VIP toilets	No	Community meeting
02	Community meeting	08/07/2018	01	00	085	• EPWP Recruitment & ward committee replacent	Yes	Community meeting
		09/09/2018	01	00	056	• Report on RDP allocations, 22 allocated	No	Community meeting
		25/11/2018	01	00	041	• Recruitment for EPWP program & Allocation of VIP Toilets	Yes	Community meeting
		26/01/2019	01	00	036	• Feedback application for community clinic	No	Community meeting
		27/04/2019	01	00	046	• RDP applications that are not successful	No	Community meeting
		19/05/2019	01	00	057	• Criminal activities is increasing in the ward	No	Community meeting
03	Community meeting	08/07/2018	01	00	030	• Replacing Asbestos roofs from old RDPs	Yes	Community meeting
		16/08/2018	01	00	010	• Hiring of painter at clinic	No	Community meeting
		28/08/2018	01	00	097	• Water shortage and fixing leaking pipes	Yes	Community meeting
		09/09/2018	01	00	036	• Enforcement of 30% local beneficiation on projects busy at the ward	No	Community meeting
		10/10/2018	01	00	018	• Unelectrified households at Naganeng. Construction of speed humps Naganeng.	No Yes	Community meeting
		04/11/2018	01	00	022	• Leaking still tank	Yes	Community meeting
		04/02/2019	01	00	013	• Kgaphamadi boreholes construction	Yes	Community meeting
		02/04/2019	01	00	017	• Request to meet Mayor	Yes	Community meeting

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
04	Community meeting	08/07/2018	01	00	065	• Dirty streets & Diapers through allover Unplanned/ no survey in Allocation of sites	Yes	Community meeting
		16/09/2019	01	00	022	• Report to community Drilling new boreholes & old maintained	No	Community meeting
		15/11/2018	01	00	102	• Regravelling program skipped ward 4	Yes	Community meeting
						RDP houses shortage	No	Community meeting
		17/01/2019	01	00	102	• Motsie KFC Recruitment	Yes	Community meeting
						No intervention on the regravelling program, stii ward 4 skipped	No	Community meeting
		04/02/2019	01	00	105	• Allocation of VIP Toilets(100 allocated	Yes	Community meeting
						Persistantly reported on water challenges	No	Community meeting
		22/03/2019	01	00	30	• Freedom park electrification Boreholes drilled in September still not equipped	No	Community meeting
							No	Community meeting
16/04/2019	01	00	105	• Service delivery	No	Stakeholders meeting		
07/05/2019	01	00	08	• Recruitment for KFC Mitsie	Yes	Stakeholders meeting		
05	Community meeting	08/07/2018	01	00	064	• Reports on Bus Road phase 4	Yes	Community meeting
		07/10/2018	01	00	047	• No report (rollcall only)	No	
		14/02/2019	01	00	084	• No report (rollcall only)	No	
		22/03/2019	01	00	081	• No report (rollcall only)	No	
		24/04/2019	01	00	039	• No report (rollcall only)	No	
		12/05/2019	01	00	084	• No report (rollcall only)	No	
06	Community meeting	20/07/2018	01	00	150	• Launching of councillors cup.	Yes	Community meeting
		10/08/2018	01	00	079	• Women's Day celebrations.	Yes	Community meeting
		23/08/2018	01	00	109	• Youth Development meeting. Recruitment at Philadelphia.	No	Community meeting
		09/09/2018	01	00	032	• Launching of CPF. Report on D1948 progress report.	Yes	Community meeting
							No	Community meeting
		07/10/2018	01	00	065	• Allocation of VIP Toilets (300) RDP houses allocations (29) & hire CLO	Yes	Community meeting
							Yes	Community meeting
		04/11/2018	01	00	040	• Progress report on D1948 IEC presentation on voter registration.	Yes	Community meeting
21/11/2018				022	• Disaster management workshop		Community meeting	

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
07	Community meetings	20/10/2018	01	00	044	• Kolofane Water shortage	No	Community meeting
08	Community meeting	08/07/2018	01	00	042	• Roads regravelling program RDP applications Icollege presentation	Yes	Community meeting
		25/07/2018			062		Yes	Community meeting
		05/08/2018	01	00	053	• Process to repair RDPs with defects Water shortage in Taiwan	Yes	Community meeting
							No	Community meeting
		26/09/2018	01	00	035	• Workhop consumer rights	Yes	Community meeting
		12/12/2018	01	00	034	• VIP Toilets allocations 22 for Malaeneng	Yes	LEDET workshop
		22/02/2019	01	00	019	• Crime	Yes	Community meeting
		14/03/2019	01	00	038	• Water shortage	Yes	Community meeting
		21/04/2019	01	00	034	• VIP Toilets allocation for Taiwan 14 units	Yes	Community meeting
08/05/2019	01	00	061	• Electricity in Taiwan	Yes			
09	Community meetings	13/07/2018	01	00	075	• No Report (rollcalls only)	No	Community meeting
		20/07/2018	01	00	037	• Introduction of Tambo/ Walter Sisulu Road	Yes	Community meeting
		25/07/2018	01	00	046	• No report (rollcalls only)	No	Community meeting
		01/08/2018	01	00	050	• No report (rollcalls only)	No	Community meeting
		23/09/2018	01	00	065	• No report (rollcalls only)	No	Community meeting
		14/10/2018	01	00	077	• Meeting with Eskom (Electricity)	Yes	Stakeholders meeting
		22/11/2018	01	00	0170	• Revenue Enhancement Campaign	No	Community meeting
		15/03/2018	01	00	046	• No reports (roll calls only)	No	Stakeholders meeting
15/04/2018	01	00	059	• No reports	No	Community meeting		
06/05/2018	01	00	027	• VIP Toilets project update	Yes	Community meeting		
12/06/2018	01	00	134	• No report (rollcall only)	No	Community meeting		

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
10	Community meeting	12/07/2018	01	00	080	• Meeting with Livestock Farmers & Moshate	Yes	Stakeholders meeting
		27/08/2018	01	00	048	• Electrification of 68 houses as allocated	Yes	Community meeting
		09/09/2018	01	00	050	• Feedback on Electrification project	Yes	Community meeting
		05/10/2018	01	00	-no rollcall	• Hiring of project CLO	Yes	Community meeting
		20/11/2018	01	00	050	• No report (rollcalls only)	No	Community meeting
		13/12/2018	01	00	044	• No report (rollcall only)	No	Community meeting
		06/01/2019	01	00	027	• No report (Roll Calls only)	Yes	Community meeting
		06/03/2019	01	00	No rollcall	• Report that electrification project is concluded, however workers are not paid 01 Disaster RDP allocated to the Ward	No	Community meeting
		08/03/2019	01	00	050	• Moshate Road Project is complete 76 units allocated for electrification	Yes	Community meeting
		06/04/2019	01	00	042	• Follow up on Employees not paid from electrification program Launching of Youth Forum	No	Community meeting
11	Community meeting	17/07/2018	01	00	075	• Sewage overflow at 5 Morgan& Elandsdrn Good progress reported on VIP toilets prj	Yes	Community meeting
		15/08/2018	01	00	031	• Bad state of R25 Bloempoot extension needs electricity	No	Community meeting Community meeting
		15/09/2018	01	00	019	• How to curb Illegal dumpings	Yes	Community meeting

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
12	Community meeting	26/07/2018	01	00	040	• Eskom turnaround time for faults reported	Yes	Community meeting
		22/08/2018	01	00	066	• No report (rollcall only)		Community meeting
		26/08/2018	01	00	018	• Service delivery challenges at Makuwa which is a farm (no water, no RDPs)	No	Community meeting
		17/09/2019	01	00	078	• Water shortage (SDM has now provided a Tank and regularly filled) Bad road (to be covered in regravelling program)	Yes	Community meeting
		08/10/2018	01	00	023	• Introduction & side allocation for RDP building project 74 units. Progress on fixing 5 boreholes in the ward	Yes	Community meeting
		09/12/2018	01	00	064	• Crime prevention	Yes	Community meeting
		07/01/2019	01	00	080	• No report (roll call only)	No	Community meeting
		07/02/2019	01	00	058	• No report (roll call only)	No	Community meeting
		19/03/2019	01	00	035	• No report (roll call only)	No	Community meeting
		09/04/2019	01	00	020	• State of service delivery at Mvujini poor, lack water, VIP toilets, roads are bad	No	Community meeting
		06/05/2019	01	00				Community meeting
		13	No community meetings	No community meetings	No community meetings	No community meetings	No community meetings	No community meetings
14	No Community meetings	No community meetings	No community meetings	No community meetings	No community meetings	No community meetings	No	No meetings
15	Community Meetings	15/08/2018	01	00	36	• Jojo tanks	Yes	Community meeting
		08/10/2018	01	00	57	• Renovation of police station	Yes	
		13/10/2018	01	00	73	• Rdp houses	Yes	
		17/11/2018	01	00	35	• Water shortage	No	
		02/12/2018	01	00	39	• Donation from a church to drill water	Yes	
		02/02/2019	01	00	37	• Extension of pipes from steel tank	No	
		05/05/2019	01	00	170	• Main road to Masoing	No	
10/06/2019	01	00	148	• Vip toilets 400 promised	No			
16	Community Meeting	10/07/2018	01	00	34	• Bulk pipe line	No	Community meeting
		16/08/2018	01	00	24	• Rdp houses	Yes	
		30/04/2019	01	00	18	• Communal taps stolen	Yes	
		19/05/2019	01	00	107	• Attendance register only	No	
17	Community meeting	18/09/2018	01	00	No rollcall	• Briefing on the RDP project	Yes	Community meeting
		06/10/2018			69	• Potholes reasilling project	Yes	
						• Need for highmast light at Matshelapata	No	

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
18	Community meeting	06/07/2018	01	00	101	• Request for regravelling of internal roads	Yes	Community meeting
		13/08/2018	01	00	058	• Establishment of ward business forum	Yes	
		16/08/2018	01	00	063	• Eskom PSC	Yes	
		11/09/2018	01	00	094	• Electrification of Masodi Villagw	Yes	
		27/10/2018	01	00	048	• No report (roll call only)	Yes	
		10/11/2018	01	00	053	• Water problems at Talane and Sywerfont	Yes	
		16/12/2018	01	00	059	• No report (roll call only)	No	
		07/01/2019	01	00	074	• No Water at Mphephisang	No	
		15/02/2019	01	00	045	• Water problems across the Ward	No	
		17/02/2019	01	00	170	• No report (roll call only)	No	
		/03/2019	01	00	024	• No report (roll call only)	No	
		04/04/2019	01	00	161	• No Water at Mphepixeng section	No	
		03/05/2019	01	00	065	• No report (register only)	Yes	
02/06/2019	01	00	034		No			
19	Community meeting	13/08/2018	01	00	062	• Electrification of Thabaleboto Extension	Yes	Community meeting
		11/09/2018	01	00	033	• No report (rollcall only)	No	
		31/01/2019	01	00	044	• No report (rollcall only)	No	
		07/02/2019	01	00	042	• No report (rollcall only)	No	
		28/02/2019	01	00	040	• No report (rollcall only)	No	
		25/02/2019	01	00	026	• No report (rollcall only)	No	
		28/03/2019	01	00	014	• No report (rollcall only)	No	
20	Community meeting	No meetings	No meetings	No meetings	No meetings	No meetings	No meetings	No meetings
21	Community meeting	30/07/2018	01	00	23	• Handing over of a contractor	Yes	Community meeting and Speakers outreach
		07/08/2018	01	00	36	• Tarring Access Road	Yes	Community meeting
		05/09/2018	01	00	72	• Water report		Community meeting
		08/10/2019	01	00	66	• Alien plant recruitment		Community meeting
		13/01/2019	01	00	39	• No report		Community meeting
		11/03/2019	01	00	56	• No report		Community meeting
		09/04/2019	01	00	54	• Water report		Community meeting
		27/05/2019	01	00	78	• Kgaphamadi bus road project		Community meeting
		05/05/2019	01	00				Community meeting

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
22	Community meeting	08/07/2018	01	00	52	• Attended register only		Community meeting
		05/08/2018	01	00	49	• Attended register only		
		16/09/2018	01	00	59	• Handing over of rdp contractor	Yes	
		07/10/2018	01	00	71	• Attended register only		
		16/02/2019	10	07	398	• Joint program of budget consultation		
		03/03/2019	01	00	72	• Attended register only		
		24/04/2019	01	00	16	• Attended register only		
23	Community meeting	31/07/2019	01	00	95	• PRET database registration	No	Community meeting
		07/08/2019	01	00	68	• Water and sanitation	No	
		06/10/2019	01	00	32	• Water tanks shortage	Yes	
		06/11/2019	01	00	36	• Attended register only		
		09/01/2019	01	00	68	• Pit hole requested for Ngulu school		
		01/02/2019	01	00	28	• VIP Toilets		
24	Community meeting	02/08/2018	01	00	83	• Legolaneng road/ 35 houses completed	Yes	Community meeting
		09/09/2018	01	00	25	• Electrification Phomola	Yes	
		07/10/2018	01	00	70	• Water shortage	No	
		04/11/2018	01	00	75	• Low level bridge	Yes	
		02/12/2018	01	00	17	• Water tankers	No	
		28/02/2019	01	00	25	• VIP Toilets, Rdp units	Yes	
		27/03/2019	01	00	32		Yes	
		24/04/2019	01	00	49		No	
		12/05/2019	01	00	22	• Water shortage	No	
		09/06/2019	01	00	62	• Vip toilets , water	No	
25	Community meeting	01/07/2019	01	02	64	• Need for borehole	No	Community meeting
		08/07/2019	02	00	30	• Electrification Makaepa	Yes	
		01/09/2019	01	00	52	• Patching of poholes/Roads	Yes	
		11/10/2019	01	00	36	• Water	No	
		03/05/2019	01	00	45	• Renovate Dikgalaopeng primary	No	
26	Community meeting	05/08/2019	01	00	64	• Leakage of bulk water pipes	No	Community meeting
		10/09/2019	01	00	30	• Illegal connection of water	No	
		29/10/2019	01	01	65	• Vip toilets	Yes	
		10/12/2019				• Construction - road paving	Yes	
		03/03/2019				• Water shortage	No	
		01/05/2019				• Regravelling of streets	Yes	
27	Community meeting	30/06/2019	01	00	38	• Road mainly the one to Stadium	No	Community meeting
		01/05/2019	01	00	60	• Increase number of High mast lights	No	
		10/03/2019	01	00	64	• Water	No	
		31/03/2019	01	00	34	• Regravelling	Yes	
		04/02/2019	01	00	54	• Vip units	Yes	
		10/01/2019	01	00	45	• Tar road stadium road	No	
		07/10/2018	01	00	41	• Waste collection	No	
		19/08/2018	01	00	36	• Jojo tanks	Yes	
		31/07/2018	01	00	69	• Highmass lights	No	
		10/06/2018	01	00	84	• Water shortage	No	

PUBLIC MEETINGS

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	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
28	Community meeting	08/17/2018	01	00	42	• Electrification	Yes	Community meeting
		24/08/2018	01	00	25	• Graveling of Roads	Yes	
		24/11/2018	01	00	74	• Water	No	
		05/12/2018	01	00	104	• Mobile clinic	No	
		03/02/2019	01	00	34	• Vip toilets	No	
		20/03/2019	01	00	69	• Sassa	No	
		14/04/2019	01	00	115	• Tar road at dipakapakeng	Yes	
		05/05/2019	09		369	• Services to all wards	Yes	
		22/06/2019	01		29	• Water	No	Speakers outreach
29	Community meeting	05/07/2018	01	01	57	• Repairs of boreholes	Yes	Community meeting
		16/08/2018	01	00	108	• RDP & dumping site needed	No	
		05/09/2018	01	00	37	• Patching of boreholes	Yes	
		23/01/2019	01	00	15	• Vip units	Yes	
		04/02/2019	01	00	39	• Regraveling	Yes	
		23/05/2019	01	00	74	• Clinic	No	
		03/06/2019	01	00	41	• Water shortage at Maratheng	No	
30	Community meeting	08/06/2019	01	00	55	• RDP houses for people residing in farms	No	Community meeting
		15/11/2018	01	00	219	• Disconnection of electricity (electricity to be sod straight from Eskom)		
		05/01/2019	01	00	49		No	
		06/12/2018	01	00	42	• Land for housing	No	
		17/09/2018	01	00	55	• Vip toilets	Yes	
		14/01/2018	01	00	30	• Mining issues	Yes	
31	Community meeting	08/07/2018	01	00	57	• Sewer leakage takes long to be fixed.	Yes	Community meeting
		07/10/2018	01	00	38	• Need for land.	No	
		08/11/2018	04	05	208	• Collection of revenue	Yes	
		18/01/2019	01	00	56	• Illegal speed humps&potholes	No	
		13/06/2019	01	07	26	• High bill of water Illegal invation of land	No No	



2.3.5 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	10	10	4
	Ward Committee				
	Julia Maredi				
	Simphiwe Mahlangu				
	Jane Sibiloane				
	Martha Nxumalo				
	junior Thethe				
	Anges Mmotong				
	Simphiwe Mthombeni				
	Samual Phasha				
	Christa kotelo Mabodika				
Ward No 02	Cllr Phatlane A	Yes	9	9	4
	Ward Committee				
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot (Deceased)				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
Boroko Kodisang Mathews					
Ward No 03	Cllr Mamakoko M.L	Yes	08	08	4
	Ward Committee				
	Mputsu David Mahlangu				
	Sonia Magashule				
	Marie Mokwala				
	Matron Mokwana				
	Stephina Modiba				
	Mary Tshego				
	Mmapula Kgaphola				
	Delige Mothibi				
	Lucy Kgaphola				
Frans Makua					

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 04	Cllr Moima L.M	Yes	09	09	4
	Ward Committees:				
	Dipuo Mashabela				
	Lebogang Dinba				
	Kanyane Mphahlele				
	Makitla Sello				
	Fatima Thabethe				
	Selina Matlou				
	Lucas Mathimunyane				
	Kenneth Malapele				
	Anges Ramphisa				
	Israel Malapela				
	Ward No 05				
Ward Committees:					
Violet Mashigo					
Fannie Nkambule					
Monicca Makgatsela					
Sharleen Mphake					
Mankwe Mokgabudi					
Petrus Matentshi					
Mapaseka Mokgabudi					
Leshate Mashabela					
Nelson Mogano					
Thili Lepota					
Ward No 06		Cllr Ndlovu R.N	Yes	10	10
	Ward Committees:				
	Thethan Mahlangu				
	Ntombi Mahlaba				
	Nokuthula Reginah				
	Winile Ndlangamandla				
	Zakhele Hlathi				
	Sipho Mandlazi				
	Adelaide Limakwe				
	Zanele Magubane				
	Delisa Joseph				
	Popi Mashego				

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 07	Cllr:Phala Lucas	Yes	4	4	4
	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				
Ward committees:					
Charlotte Mogudi					
Moshingwaneng Ditshego					
Isaiah Mahlangu					
Annah Wessels					
Friedah Phetla					
Bangiswane Mthombeni					
Resigned					
Albert Mafa					
Resigned					
Gloria Rahlogo					
Ward No 09		Cllr Ratau R.M	Yes	08	08
	Ward Committees:				
	Elijah Ntombela				
	Isaac Makofane				
	Mafa Mashinini				
	Sebongile Mohlape				
	Coshiwe Nkambule				
	Eric Nkosi				
	Louisa Masilela				
	Fortune Tsholofelo				
	Aaron Mtshweni				
	Joseph Manzini				

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 10	Cllr Madisa K.F	Yes	09	09	4
	Ward Committees:				
	Zandra Makitla				
	Mathebe Rebbeca				
	Katlego Sifoleshe Madire				
	Modupi Mohlamanyane				
	Ivy Madisa				
	Zodwa Ngele				
	Sandra Ramphisa				
	Mathebe Buti				
	.Malefahlo Mokgase				
	mohlamonyane Motsumi				
	Ward No 11				
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	4
	Ward Committees:				
	Mmadisele Mathebe				
	Moleme Podile				
	Mmalehu Mohlala				
	Mothaku Namane				
	Calvin Mathunyane				
	Elizabeth Monageng				
	Doctor Nakedi				
	Alfred Makitla				
	Betty Mathebe				
	Klass Mathebe				

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 13	Cllr Oosthuizen W.N.S	Yes	09	09	1
	Ward Committees:				
	Martin Coetsee				
	Dirk Hessels				
	phochanaD.M				
	Maria D.Fourie				
	J.H Mmakole				
	Dirk Walker				
	T.S Matsomane				
	A.J Schombe				
	Franska Kleinhans				
	Shaun A.Mellors				
	Ward No 14				
Ward Committees:					
Bareng Mphahlele(Resigned					
Phakwane Mareng					
Moses Boshelo					
Chikane Kgorutle					
Makeke Mantwa					
Dipou Matlala					
Stepen Maleka					
Jaremia Phetla					
Enock Ramoispa					
Maggie Isa					
Ward No 15	Cllr: Mahlangu J	Yes	07	07	4
	Ward Committees:				
	Lucas Zwane				
	Rinah Mahlangu				
	Job Tshepo Mokwena				
	Sbongile Nkosi				
	Sibongile Masilela				
	Thomas Mthombeni				
	Johannah Mashiya				
	Malehu Mokoana				
	Jan Masimula				
	Msanomlane Mahlangu				

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 16	Cllr: Zulu B.M	Yes	4	4	3					
	Ward Committees:									
	Mapule									
	Mokgolokgotho(removed)									
	Jabulane Mahlangu									
	Sarah Skosana									
	Fanie Maku									
	December Msitsa									
	Sinah Mahlangu									
	Maria Mthimunyane									
	Nick Mgidi									
	Khomotso Maphosa(not on IEC roll)									
	Kodin Skhosana									
	Ward No 17					Cllr: Ratau T.T	Yes	5	5	2
Ward Committees:										
Irene Mokwana										
Moetana Mohlala										
Rankepile Mabelane										
Kagiso Mabelane										
Gabriel Magashula										
Jeaneth Motshana										
Motlalepule Madihlaba										
Freddy Nkadimeng(decease										
Andries Hlabishe										
Annah Masemola										
Ward No 18		Cllr: Machipa T.A	Yes	12	12	4				
		Ward Committees:								
	Martha Mohlahlo									
	Jamis Chego									
	Maria Tshehla									
	Mojalefa Rankwe									
	Tumishi Mohlahlo									
	Annah Mnguni									
	Elsa Fenyane(resigned)									
	Sydney Phetla									
	Shemeng Mtshweni									
	Maria Makuwa									

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

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 22	Cllr Matsepe M.M	Yes	07	07	3
	Ward Committees:				
	Mathibela Mashego				
	Annah Radingwana				
	Frans Mdebele				
	Tebogo Tau				
	Stephina Mokwal				
	Thabo Radingwana				
	Leah Tshoma				
	Jan Mashilanwako				
	Patrick Moramaga				
	Lindiwe Maleka				
	Ward No 23	Cllr:Mahlangu Nomsa	No	04	04
Ward Committees:					
Regina Ntuli					
Lydia Lerobane					
Jimmy Masemola					
Thokozile Ntuli					
Milzon Madihlaba					
Busisiwe Motha					
Simon Sithole					
Rose Mokoana					
Sipho Mahlangu					
Sylvia Chego					
Ward No 24		Cllr: M.M	Yes	10	10
	Ward Committees:				
	Isaac Maladi				
	Mpotsing Mtshweni				
	Prince Maloma				
	Meshack Thobejane				
	Dorothy Makeke				
	Maputana Moloko				
	Martha Monareng				
	Thabeng Nyalungu				
	Elizabeth Mathunyane				
	Amos Tshoma				

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 25	Cllr: Maphopha E.M	Yes	9	9	4
	Ward Committees:				
	Jane Lekala				
	Makgadi Malatji				
	Joseph Tsima				
	Julia Mohlala				
	Lerato Skosane				
	Jack Motsana				
	Reneilwe Rampedi				
	khomotso Ramphisa				
	Francinah Mampuru				
	Thobole Matsepe				
	Ward No 26	Cllr:Motlape M. G	Yes	8	8
Ward Committees:					
Sepedi Mohlala					
Mmantwe Tagane					
Matlakala Knowledge					
Ditau Magampa(removed)					
Deborah Mashabela					
Dazie Msiza					
Amos Chabedi					
Mapule Mmuledi					
Karabo Matshingwane					
Mmabatsheleng Matsepe					
Ward No 27		Cllr: Mkwane M.K	Yes	07	07
	Ward Committees:				
	Job Matladi				
	Lebogang Choma				
	Tebatso Sihlangu				
	Mogudi Meba				
	Dudu Mokadi				
	Frans Tlaka				
	Motebu Arimbi				
	Thabo Makua				
	Caroline Mantsolo				
	Thandi makuwa				

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 28	Cllr:Maipushe S.M	Yes	10	10	4
	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	4
	Ward Committees:				
	Thuso Makuwa				
	Reginah Makuwa				
	Lindiwe Mahlangu				
	Grace Malatji				
	Diale Motla				
	Caroline Matjomane				
	Victor Diago				
	Thabang Fenyane				
	Gautana Matsumane				
Lazarus Rakgalakane					
Ward No 30	Cllr: Kgopa K.S	Yes	5	5	4
	Ward Committees:				
	Ammina Magakwe				
	Sebutjwane Maduna				
	Seraki Motstsa				
	Jim Molapo				
	Bongi Maabane				
	Thabiso Matenji				
	Mahlonoko Riba				
	Patricia Mokwena				
	Sinky Kodi				
Lina Masango					
Ward No 31	Cllr : Msiza M.R				
	Ward Committee	Yes	8	8	4
	Gladys Maake				
	Kgaogelo Dikotope (deceased)				
	Alfred Manasoe				
	Moses simpho				
	Peter Tsokela				
	Lombard Mamogobo				
	Lebogang Mpunga(Resigned)				
	Ramosohlo Kgongane				
	Enny Matsepe				
	Prince Thobejane				



2.4 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

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

2.5 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 100% 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
Insufficient capacity of emerging local enterprises	<ul style="list-style-type: none"> Currently conducting monthly training capacitate local SMMEs
Market Risk	<ul style="list-style-type: none"> Applying Section 32 of MFMA 56 of 2003 to source service provider
Environmental Pollution	<ul style="list-style-type: none"> Environmental Awareness conducted Waste Management Schedule and plans is adhered to Public Consultation is done on the Waste management By-Law.
Failure to Recover Data and Systems efficiently and effectively in the event of disruption	<ul style="list-style-type: none"> Review of the BCP in progress.
Ineffective communication (Internal and External)	<ul style="list-style-type: none"> Report submitted to Council on monthly basis Suggestion boxes available in municipal buildings but not utilized efficiently Turnaround time of 25 working days not adhered to due to the nature of cases
Inappropriate land use practice & Hazardous Buildings	<ul style="list-style-type: none"> The SPLUMA By-Law implemented. Land Use Audit conducted in Groblersdal
Failure to recover Data and Systems efficiently and effectively in the event of disruption	<ul style="list-style-type: none"> Benchmarking in progress
Ineffective Ward Committees	<ul style="list-style-type: none"> The ward committee policy is in place and is currently implemented as well as the Ward Operational and reporting templates
Insufficient Electricity Supply (20 MVA)	<ul style="list-style-type: none"> Still waiting for Eskom to provide feasibility Quotation
Roll over of Projects	<ul style="list-style-type: none"> Project managers allocated to the project to ensure continues monitoring

2.5.1 Risk Finance

Our insurance programs cover property damage, business interruption, public, product and professional liability, and Directors'and Officers' exposures. They aim to protect the Municipality against exceptionally large or numerous claims.

We neither own nor operate any captive insurance: we use only high-quality and financially sound insurers, combining master policies with local insurance policies. Negotiation and coordination of these programs are carried out in the Risk department unit with the help of leading insurance brokers with integrated international networks.

In this way we secure broad and consistent cover for all Municipalities activities and locations, cost optimization, and reporting and control, while ensuring compliance with local regulatory requirements. We review our insurance strategies periodically, taking into account changes in our risk profile (such as acquisitions, claims, loss events and other activities) and insurance market trends.

2.5.2 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, we have built an anti-fraud Strategy to prevent, detect, deter, report and respond to fraudulent activities. This is overseen by the Municipal managers office, Anti-Fraud Committee comprising the senior management Group General and Compliance Officer.

All managers must report any suspicion of fraud, and our whistle-blowing policy enables employees to raise suspected irregularities. In the event of fraud, managers must make appropriate changes to systems, Controls, education and procedures to prevent recurrence, and the Risk and anti- fraud committee monitors the effectiveness of such actions.

Municipality conducted a fraud risk assessment and trained some key people in anti-fraud, anti-bribery, anti-trust and ethics. In addition trained by Cogta or fraud and corruption, we also sent out awareness poster to all municipal departments.

BUSINESS CONTINUITY MANAGEMENT

Municipality cannot identify all risk that faces the institution. Therefore we have business continuity responses designed to improve resilience to unforeseen events – such as a supply chain disruption, employee repatriation, or network intrusion attempts – and minimize their impact on stakeholders and reputation. The business continuity policy and strategy was approved and rolled out to departments for awareness. It encompasses basic escalation and communication rules, guidelines for anticipation and action, and clear roles and responsibilities. Training was limited due financial constrains

2.6 PUBLIC SATISFACTION SURVEY

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

2.7 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 thirteen (13) tenders were awarded.

Table 7: Information of SCM committees

Description	Number of meetings	Members of the committee	Functions
Bid specification committee	5	Manager: Assets Manager Property Management Electrical Engineer 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	10	Senior Manager: Infrastructure Deputy CFO Manager waste and environmental services Manager Legal Services 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.
Bid Adjudication committee	9	Senior Manager: Community Services Senior Manager: Executive Support Senior Manager: Corporate Services Senior Manager Development Planning Chief Financial Officer Manager SCM Accountant Demand and Acquisition (Secretariat)	<ul style="list-style-type: none"> Ensure that all necessary bid documents have been submitted Ensure that disqualifications are justified and valid and accountable reasons / motivations were furnished for passing over bids. Ensure that scoring has been fair, consistent and correctly calculated and applied; and bidder's declarations of interests have been taken cognizance of. 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 Consider and rule on all recommendations /reports regarding the amendments ,variations, extension, cancellations or transfer of contracts awarded

2.8 BY-LAWS

For the year under review, the municipality has developed 03 by-laws which were approved by council for public participation. No by-law gazetted during the year under review.

Table 8: Information of by-laws

By-laws introduced during year 2018/2019					
Newly developed	Revised	Public Participation Conducted Prior to Adoption of By- Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
By-law regulating dogs and cats	Yes	No	-	No	-
Tarriff by-law	Yes	No	-	No	-
Propertes rates by-law	Yes	No	-	No	-

2.9 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 easily access municipal information.

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 annual report 2017/2018 published	Yes	-
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	-
All service delivery agreements 2017/2018	no	n/a
All long-term borrowing contracts 2017/2018	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 2018/2019	n/a	n/a
Contracts agreed in 2017/2018 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 2017/2018	n/a	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during 2017/2018	Yes	-

2.10 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 comprised of Five (05) members appointed for the period of three (03) years with effect from January 2016 to December 2018. The term for audit committee members ended in December 2018 and was extended by two years from January 2019 to January 2021. The extension was for only four members as one member (Mr M.G Mathabathe) has already served in audit committee for 06 years therefore it could not be extended further. The vacant post was therefore advertised and suitable candidate was appointed during June month and will resume duty in the next financial year. 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 Six (06) 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	ORDINARY MEETINGS				Total	SPECIAL MEETINGS						Total	
		1	2	3	4		1	2	3	4	5	6		
1	Mrs Ramutsheli M.P (Chairperson)	✓	✓	✓	✓	4	✓	✓	✓	✓	✓	✓	✓	6
2	Mr Mathabathe M.G	✓	✓	X	X	2	✓	✓	✓	✓	X	X	4	
3	Adv. Thipe M.M	✓	✓	✓	✓	4	X	X	X	X	✓	✓	2	
4	Mr. Chuene V.K	✓	✓	✓	✓	4	✓	✓	✓	X	✓	✓	5	
5	Mr. Mojapelo M.O	✓	✓	✓	X	3	✓	✓	✓	✓	✓	✓	6	

Legend: ✓ Attended
X Not attended



Service Delivery Performance



SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

Municipality is licensed to provide electricity in 2 wards, which are ward 13 and ward 30 (Groblersdal and Roossenekal areas), and the other 29 wards are Eskom licensed areas. We have managed to increase our revenue base by acquiring the Electricity distribution license of the following areas: Game Farm, Twin City Mall, Masakaneng and Mapoch Grond. The municipality is planning to upgrade the current Groblersdal substation from 20MVA to 40MVA as it will reach its full capacity and will have a negative economic growth of the municipality.

Municipality has a backlog of 4% (3099) households without electricity. A total number of 55698 Households (96%) has access to Electricity (serviced both Eskom and EMLM). The municipality received an allocation of R9 988 000 for INEP in 2018/2019 financial year. Makaepa, Tambo and Masakaneng villages were electrified using the allocated funds from INEP. The progress for electrification projects was at 98% at the end of the financial year; all villages are energised except for Tambo. 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 municipality has appointed a service provider for the Development development of Public lighting master plan. The master plan has been developed and approved by Council.

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

STRENGTHS

- 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

WEAKNESS

- 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 revenue enhancement strategy.

OPPORTUNITIES

- 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

THREATS

- 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	2016/17		2017/18		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0				0%
4 - 6	03	06	03	03	33%
7 - 9	01	02	01	01	0%
10 - 12	04	05	04	01	20%
13 - 15	0	01	0	01	100%
16 - 18	01	01	01	0 0	0%
Total	09	15	09	06	20%

Table 2: Capital expenditure on Electricity services

Capital expenditure on Electricity services					
Capital Expenditure Year 2018/2019 : Electricity Services					
Capital Project	R' 000				
	Original budget	Budget Adjustment	Actual Expenditure	Variance	Total Budget
Total All	R 9 988 000	0	R9 986 622.11		
Electrification of Masakaneng	R3,344,000.00	0.00	R3,344,578.80		
Electrification of Makaepa	R3,300,000.00	0.00	R3,300,000.00		
Electrification of Tambo	R3,344,000.00	0.00	R3,342,043.22		

3.2 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). During the year under review the municipality was unable to render refuse removal services to Elanddoorn, O R Tambo Township and Walter Sisulu RDP. 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, cleaning of illegal dumps is being done as when as it is required throughout the municipality. The project has created 30 Job opportunities.

3.2.1 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 Selema Plant Hire. The project has generated 08 job opportunities for the local communities inclusive of all available skills.

Table 3: Waste streams:

Waste streams	Total volumes in tons
Domestic waste	1096,42
Business Waste	3857,63
Builders Waste	2154,46



3.2.2 Recycling:

Table 4: Recycling firms operate within the municipality:

Name	Location	Material recycled
Silver ink Environmental solution	Groblersdal	Card box and Plastic
Poverty combaters	Moutse	Card box and Plastic
Pieterse Scrap Metals	Groblersdal	Steel
JH Metals	Groblersdal	Steel



3.12.3 Awareness campaigns

The Municipality has conducted Environmental Awareness and cleaning campaigns in the following areas:

- Masakaneng Village
- Groblersdal Landfillsite
- Groblersdals: EMLM Chamber
- Sindile Primary School

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

Area	Number of containers	Ward	Frequency of collection
Groblersdal Taxi rank	3	13	As and when is required
Groblersdal bus terminal	1	13	As and when is required
Marble hall road next to standard bank	1	13	As and when is required
Voortrekker street	2	13	As and when is required
Open space behind quality meat	1	13	As and when is required
Complex next to Nandos	1	13	As and when is required
Home affairs	1	13	As and when is required
Parking opposite Groblersdal library	1	13	As and when is required
EMLM main Office	1	13	As and when is required
Mogaung	1	22	As and when is required
Luckau	1	24	As and when is required
Medupi crèche	1	25	As and when is required
U save Tafelkop	1	26	As and when is required
Tafelkop (Stadium)	1	27	As and when is required
Tafelkop: Boikano disability center	1	28	As and when is required
Tafelkop - Motetema road	1	R579	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	3	13	As and when is required
Groblersdal bus terminal	1	13	As and when is required
Marble hall road next to standard bank	1	13	As and when is required
Voortrekker street	2	13	As and when is required
Open space behind quality meat	1	13	As and when is required
Complex next to Nandos	1	13	As and when is required
Home affairs	1	13	As and when is required
Parking opposite Groblersdal library	1	13	As and when is required
EMLM main Office	1	13	As and when is required
Mogaung	1	22	As and when is required
Luckau	1	24	As and when is required
Medupi crèche	1	25	As and when is required
U save Tafelkop	1	26	As and when is required
Tafelkop (Stadium)	1	27	As and when is required
Tafelkop: Boikano disability center	1	28	As and when is required
Tafelkop - Motetema road	1	R579	As and when is required

Table 7: Level of service for refuse removal for households

Service Area/Suburb	Collection Day	2016/2017	2017/2018	2018/2019
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
Motetema	Tuesday	1142	1142	1142
TOTAL		6240	6240	6240

Table 8: Employees for Solid Waste Management Services

Employees: Solid Waste Management Services						
Job Level task grades	2018/2019					
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
4 - 6	11	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	71%	

3.12.4 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. The number of indigent registered in the financial year under review is 6941 and only 1443 were configured by Eskom to receive free basic electricity which is an increase from 2017/2018 financial year. Municipality provides free basic electricity to both Eskom- and municipal-licensed areas. Municipality budgeted R1, 260 million for free basic electricity and the actual expenditure thereof amounted to R663 000.00 by the end of the financial year.

Graph 2: Free Basic Electricity beneficiaries

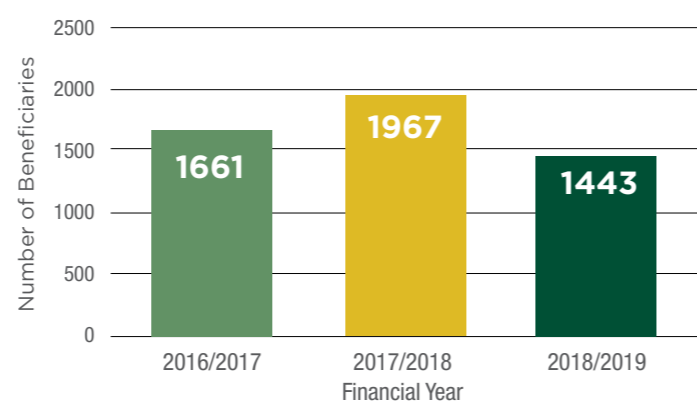


Table 9: Financial Performance 2017/18: Cost to Municipality of Free Basic Services Delivered.

Services Delivered	Financial Performance 2018/2019: Cost to Municipality of Free Basic Services Delivered R'000					
	2015/16	2016/17	2018/2019		Actuals	Variance to Budget
	Actuals	Actuals	Original Budget	Adjustment budget		
Electricity	R195	R195	R2,000	R1,260	R663	R596
Mayor and Council: Mayor	R 0	R 0	R213	R213	R177	R34
Waste Management (Solid Waste)	R 0	R 0	R0	R0	R0	R0
Total	R1 000	R195	R2,213	R1,473	R840	R630

COMPONENT B: ROAD TRANSPORT

3.13 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 utilises 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. The municipality has appointed a service provider for the development of roads and storm water master plan, the objectives is to get the maintenance plan, conditional assessment of the roads and priority list in terms of maintaining and upgrading the municipal roads.

3.13.1 Performance on roads

The municipality has a backlog of 1299.44km of gravel roads and 7.71km of roads were constructed during the year under review. The total capital budget of municipality was R77 301 754 that was adjusted upwards to R110 949 069 during the special adjustment budget and the actual expenditure was R108 124 941. 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, 70km has been regavelled and 536.5km bladed.

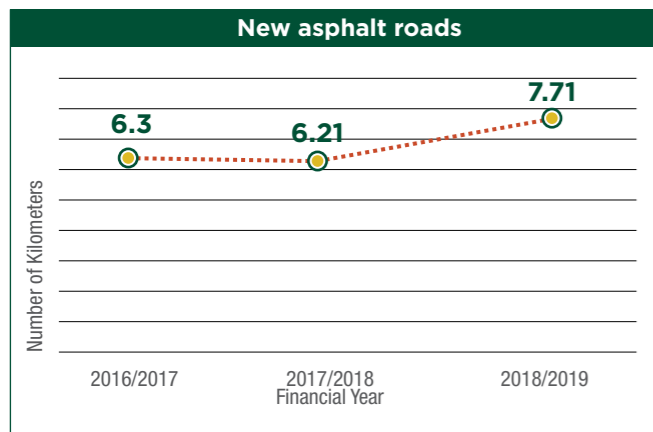
Table 10: Gravelled and asphalted roads

Gravel Road Infrastructure				
Kilometres				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt / surfaced roads	Gravel roads graded / maintained
2016/17	1311.95km	0km	6.3km	573km (Bladed)
2017/18	1305.65km	0km	6.21km	641km (Bladed)
2018/19	1299.44km	0km	7.71km	536.5km (Bladed) 70km (regravelled)

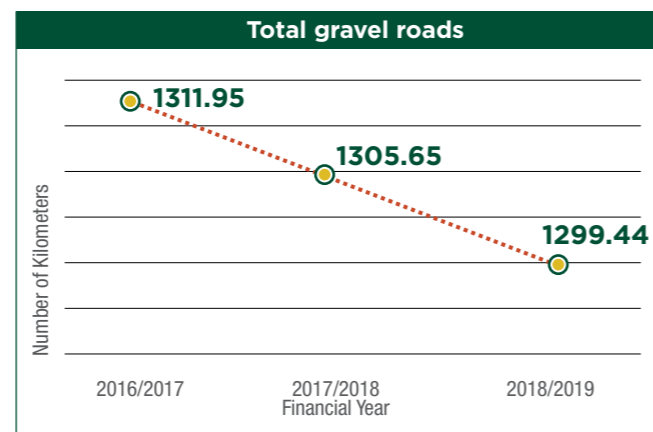
Table 11: Asphalted Road Infrastructure

Asphalted Road Infrastructure				
Kilometres				
	Total roads (backlog)	New asphalt / surfaced roads	Existing asphalt roads re-surfaced	Asphalt roads maintained
2016/17	1311.95km	6.3km	0km	0km
2017/18	1305.65km	6.21km	4.5km	4.6km
2018/19	1290.34	7.71km	12.6km	0km

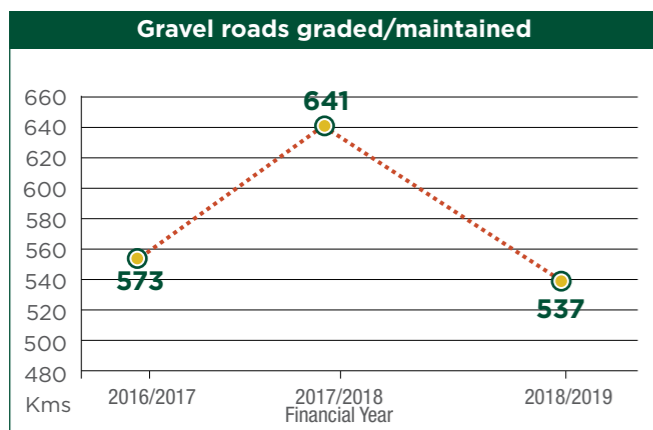
Graph 3: New asphalt road constructed



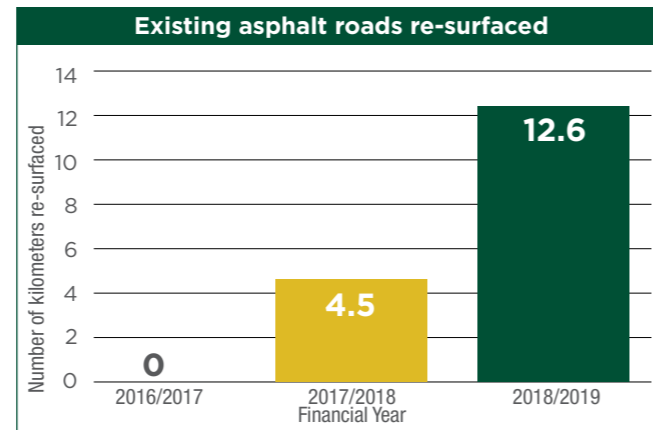
Graph 4: Total Gravel roads



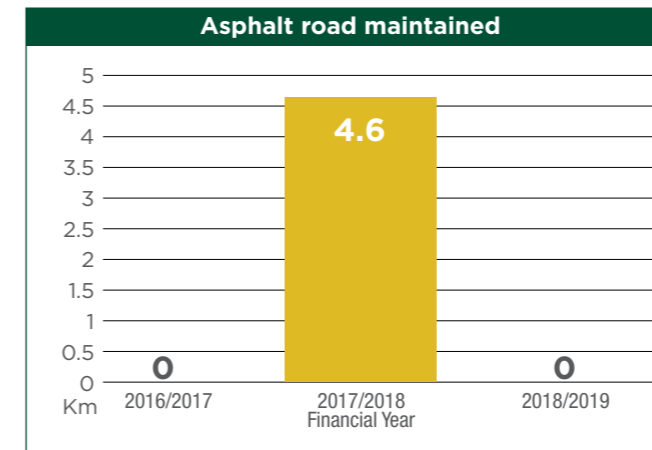
Graph 5: Gravel roads graded/ maintained



Graph 6: Existing asphalt roads re-surfaced



Graph 7: Asphalt roads maintained



Graph 8: Development of municipal roads

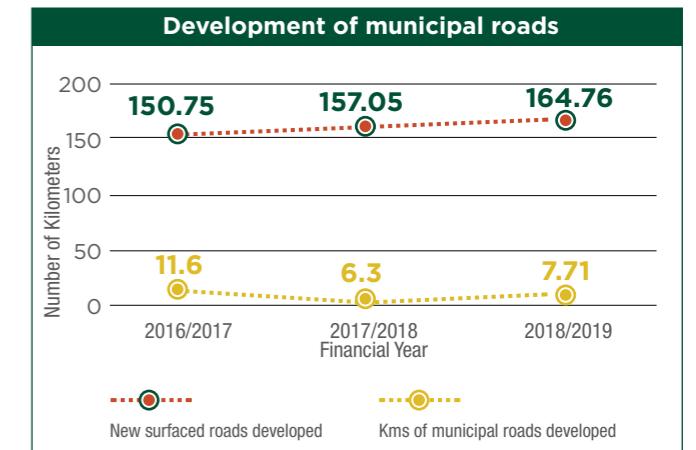


Table 12: Roads and stormwater services employees

Employees: Roads and storm water services					
Job Level task grade	2016/17		2018/2019		Vacancies (as a % of total posts)
	Employees	posts	Employees	Vacancies (fulltime equivalents)	
	No.	No.	No.	No.	
4 - 6	68	84	64	20	23%
7 - 9	01	06	06	0	0%
10 - 12	0	02	01	01	50%
13 - 15	02	02	01	01	50%
Total	71	94	72	22	23%

Table 13: Development of municipal roads

Development of municipal roads as required	new surfaced roads developed	km of municipal roads developed
2016/2017	11.6 km	150.75km
2017/2018	6.3km	157.05km
2018/2019	7.71km	164.76km

Table 14: Capital Expenditure for road services

Capital Expenditure 2018/19: Road Services					
Capital Projects	R' 000				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Source of funding
Kgaphamadi construction of bus route, bridge and storm water control	R19,942,000.00	0.00	R19,925,817.73		MIG
Construction of Laersdrift bus road	R16,515,084.13	0.00	R15,477,342.70		MIG
Mpheleng construction of bus route and storm water control	R9,750,000.00	0.00	R9,747,691.98		MIG
Kgoshi Mathebe, Matsepe and Makgopheng construction of ring road and storm water control	R9,000,000.00	0.00	R8,993,725.21		MIG
Naganeng bus road and storm water control	R6,624,915.87	0.00	R6,624,915.87		MIG
Groblersdal Roads and Streets	R4,420,005.45	0.00	R4,420,005.45		Revenue
Rehabilitation of Ramogwerane to Nkadimeng road	R1,725,000.00	0.00	R1,722,424.00		Revenue
Construction of Nyakoroane road	R1,500,002.00	0.00	R1,493,735.00		Revenue

3.13.2 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

Table 15: Municipal infrastructure grant expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2018/2019 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						
Roads, Pavements & Bridges	R53,832,000.00	R8,000,000.00	R61,832,000.00			
Storm water	R0	R0	R0	R0	R0	
Infrastructure - Electricity						
Generation	R0	R0	R0	R0	R0	
Street Lighting	R0	R0	R0	R0	R0	
Infrastructure - Other						
Transportation	R0	R0	R0	R0	R0	
Gas	R0	R0	R0	R0	R0	
<i>Other Specify:</i>						
Sports - Outdoor	R0	R8,079	R8,079	(R8,079)	R0	
Street Parking	R0	R0	R0	R0	R0	
Waste Management	R0	R0	R0	R0	R0	
Total						



COMPONENT C: PLANNING AND DEVELOPMENT

3.14 DEPARTMENTAL OVERVIEW

The core functions of Development Planning department are as follows;

- Spatial Planning and Land Use Management,
- Upholding building regulations to promote uniform standards in terms of building of structures as per the provision of National Building Regulations and Building Standards Act (103:1977).
- Property Management
- Promoting Local Economic Development
- **Land Use Applications**

The total number of land use and land development applications received and processed within a period of 90 days are thirteen (13). Those applications as tabulated below were for various uses such as rezoning, subdivisions, consolidations, removal of restrictive conditions, township establishments, consent uses, and way-leave services. Respectively were processed by the relevant authority in terms of categorization enshrined in Spatial Planning and Land Use Management Act (SPLUMA), Act no 16 of 2013 read together with EMLM SPLUMA Bylaw, 2016.

Table 16: The processed Land Use Applications

RESPONSIBLE AUTHORITY	DESCRIPTION OF APPLICATION
Authorised Official	Proposed removal restrictive conditions on the title deed in terms of section 63 of the EMLM Spatial planning and land use management by-law, 2016. Portion 1 of Erf 254 Groblersdal Ext 2
Authorised Official	Proposed Consent use in terms of section 74 of the EMLM Spatial planning and land use management by-law, 2016. Portion 1 of Erf 254 Groblersdal Ext 2.
Authorised Official	Proposed special consent in terms of section 74 of the EMLM spatial planning and land use management by-law, 2016. Portion 5 of the farm Hartebeestfontein 20 JS.
Authorised Official	Proposed exemption in terms of section 69(1) (d) (i) of EMLM SPLUMA by-law, 2016. Walkraal 35 JS, Zondagsfontein 32 JS, Valschfontein 33js, Kuilsriver 31JS and Loskop Noord 12 JS.
Authorised Official	Proposed wayleave. Moratiwa Crossing
Tribunal	Proposed rezoning in terms of section 62 and subdivision in terms of section 65 of the EMLM spatial planning and land use management by-law, 2016. Portion 0 of Vlaklaagte 154JS.
Tribunal	Proposed consolidation in terms of section 71 and subsequent subdivision in terms of 65 and simultaneous rezoning in terms of section 62 of the EMLM spatial planning and land use management by-law, 2016. Remainder of portion 4 and portion 9 of farm Luckau 127 JS.
Authorised Official	Proposed exemption in terms of section 69(1) (G) of the EMLM spatial planning and land use management by-law, 2016. Portion 10 of farm Rooikraal 188 JS.
Tribunal	Proposed rezoning in terms of section 62(1) of the EMLM spatial planning and land use management by-law, 2016. Erf 677 Motetema-A.
Authorised Official	Proposed wayleave. Loskop rugby club
Authorised Official	Proposed consent in terms of section 74 of the EMLM spatial planning and land use management n by-law, 2016. Portion 26 of the farm Dewagendrift 79 JS.
Authorised Official	Proposed exemption in terms of section 69(e) of the EMLM spatial planning and land use management by-law, 2016. Remainder of portion 370 of the Loskop Suid 53js
Authorised Official	Proposed special consent to operate guest house. Erf 64 Groblersdal

Since the development, planning department is the custodian of land use and land development management, the implementation of Spatial Planning and Land Use Management (SPLUMA), Act no 16 of 2013 is at the core of the departmental functions. In supporting the traditional authorities on proper planning for human settlements, the municipality has undertaken the process of demarcating sites for the Bakwena Ba Matsepe (at Tafelkop Makaepa) and Ndebele Tribal (Mogaung village) Traditional authority respectively. These undertakings seek to create and foster a sustainable and uniform use of land.

Presumably, the above arrangement will result in cheaper installation of engineering services (i.e. water, sewer, electricity, storm water and internal roads) and solid waste.

3.14.1 Building Control

Building Control is a statutory function assigned to local authorities in terms of the Constitution. The National Building Regulations and Building Standards Act (Act 103 of 1977) also assigns duties to local authorities, the most important of which are the approval of building plans applications, enforcement of the regulations and the issuing of certificates of occupancy.

The National Building Regulations and Building Standards Act No. 103 of 1977 makes provision for the promotion of uniformity in the law relating to the erection of buildings in the areas of local authorities; for prescribing building standards, and for matters connected therewith.

The building control give effects to the provisions of the act by fulfilling its functions by controlling and regulating the following building activities:

- Erection of new buildings
- Alterations/extensions/conversions of existing buildings
- Demolition of existing/structures

In addition, the other services by building control division include the following:

- Building plan approval
- Minor works permit approval (for work such as swimming pools, small 'wendy' houses etc)
- Temporary structure permits
- Demolishing permits
- Building inspection during the construction period
- Issuing of occupancy certificates
- General enforcement of building regulations
- Investigations and resolving building complaints, contraventions and illegal building work
- Maintaining statistics on building construction activity.

3.14.2 Building plans applications

The total number of building plans applications of more than five hundred (500) and less than square metre received and processed. Those applications were in the form of dwellings,

commercial, industrials, churches, and also alterations and additions of buildings.

Number of dwellings applications	Number of commercial applications	Number of other applications
63	37	9

3.14.3 Site Development plans applications

The total number of site development plans received and processed were sixteen (16)

3.14.4 Revenue collected

The total revenue collected as a result of the above mentioned services provided is three hundred and sixty five thousand six hundred and six rand forty eight cent (R 365 606.48).

3.14.5 Occupation certificates issued

The total number of occupation certificates issued for commercial and dwelling buildings is twenty (20).

3.14.6 Building Inspections

More than six hundred (600) construction sites were visited to ensure compliance and enforcement of building regulations. In addition, thirty three (33) non-compliances were issued and thirty (30) of them resolved by complying as the law required.

3.15 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

- Land invasion, unlawful demarcation of sites and selling of stands on municipal and state owned land
- Mushrooming of informal settlements,
- Poorly managed stated owned properties i.e. houses that are owned by the Department of Public Works in Groblersdal.

Opportunities

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

3.16 LOCAL ECONOMIC DEVELOPMENT

Elias Motsoaledi Local Municipality supports participative strategies for local economic development in its area of jurisdiction, with the aim of promoting economic growth geared to local conditions and resources, creating income and employment opportunities for all segments of the population and enhancing good governance at local level

The municipality is operating in a market economy wherein the engines of economic development are primarily in the hands of private businesses that create wealth and jobs however the private sector cannot succeed without favorable business conditions in which to thrive and grow. The municipality is currently working hand in gloves with other public sector institutions in helping to establish and maintain those favorable business conditions so that firms that operates within the jurisdiction of the municipality can compete successfully and fairly with firms from other regions.

Given the above conditions and the roles that the municipality has played in pursuit of local economic development in 2018/19 financial year are amongst others; that the municipality in collaboration with Department of Public Works has managed to create 1760 work opportunities through EPWP and CWP programmes. In addition, the Gold Rush Gaming Group has created 43 permanent employment opportunities by opening a new branch at Groblersdal Regional Mall.

In striving to capacitate the SMMEs and cooperatives the municipality in collaboration with SEDA (Small Enterprise Development Agency) has ensured that 33 enterprises received their working equipment through IMEDP (Informal and Micro- Enterprise Development Programme), the equipment are for catering, saloon, dress making, car wash, cleaning, electrical and etc. It is expected that this start-up equipments will assist these enterprises to grow and make a meaningful impact on our economy.

In striving to capacitate local business entities, the municipality has embarked on a year long training for 30 SMMEs and Cooperatives, which focused on:

- Practical Costing & Pricing
- Basic Accounting Practices
- Managing Finances
- Basic Financial Statement
- Customer Care
- Income Tax
- Tendering
- Project Management
- Business Plan

In response to both the social and economic problems affecting local communities, economic growth and enterprise development are considered one of the catalytic efforts to effectively address the reduction of the challenges experienced by local people. It was based on the above statement that a recommendation was concluded to host an event promoting locally owned businesses to strengthen their participation in the mainstream economy.

The intention was to promote the township and rural economy and also to encourage active participation of the private sector. The event was held on the 12th of April 2019 at Moutse Central Circuit, during the event the then MEC Seaparo Sekoati

donated operational equipment and materials to 11 (eleven) of the identified small business owners from Moutse community as a support mechanism to sustain their businesses. These enterprises were supported through LEDA Enterprise Development and Finance Division complemented by the support from other local developmental institutions such as Department of Agriculture and LED unit from the Municipality.

To develop capable institutions which will drive economic development, there is need for provision and maintenance of critical infrastructure. SANRAL is bringing huge investments in the form of road construction, improvement and maintenance. Currently four (4) national roads which cut across the municipality were identified for upgrading and maintenance, namely the N11, R573, R555 and R579. It is expected that these investments will create more opportunities for unemployed and SMMEs. Two Project Liaison Committees were established to facilitate works execution, sub-contracting and employment facilitation. They will also serve to ensure communication and transparency in the execution of works and to ensure inclusivity in the allocation of projects to benefit black business and local communities.

The youth were also prioritised, the municipality has facilitated the establishment of NYDA offices at Commando offices to nurture the business acumen of young people of Elias Motsoaledi Local Municipality and also expose them to funding and business or investment opportunities available within the country. We are in processing of witnessing the fruits of this office as young people are currently frequenting for various assistance.

The municipality has comparative advantage in terms of agricultural production, the major crops produced in our area includes citrus, table grapes and vegetables however, the majority of land reform farms are currently not operational due to myriad of challenges which amongst others includes lack of finance, production inputs, access to market, lack of skill and group dynamics. During the upcoming financial period 2019/20 the municipality together with relevant stakeholders will focus largely on unlocking these challenges such that the farms which were previously productive will resume with their production. This will help in terms of reducing persistent poverty amongst our communities since more jobs will be created during the production processes.

Table 18: Jobs created through CWP

Job creation through CWP*		
Year	No. of Wards	Participants
2016/2017	29	768
2017/2018	30	1264
2018/2019	31	1181

*- Community Works Programme

Table 19: Jobs created through EPWP

Job creation through EPWP* Projects		
Year	EPWP Projects	Jobs created through EPWP Projects
	No	No
2016/2017	9	99
2017/2018	3	373
2018/2019	4	661

* - Extended Public Works Programme

Table 20: Employees for Local Economic Development

Employees: Local Economic Development				
Job Level	2018/2019			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	1	0	1	100%
7 - 9	1	1	0	0%
10 - 12	2	1	1	50%
13 - 15	1	1	0	0%
19 - 20	0	0	0	0%
Total	5	3	2	40%

Table 21: Employees for Planning Services

Job Level	2017/18			
	Posts (No)	Employees (No)	Vacancies - fulltime equivalents (No)	Vacancies (% of total posts)
7 - 9	2	1	1	50%
10 - 12	2	1	1	50%
13 - 15	2	1	1	50%
16 - 18	1	1	0	0%
Total	7	4	3	43%

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.17 OVERVIEW

3.17.5 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	Employees	Posts	Employees	2018/2019	
				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	0%
10 - 12	03	03	03	03	100%
16 - 18	0	0	0	0	0
Total	03	06	03	03	100%

3.17.6 Cemeteries

The municipality has a total number of 84 cemeteries and only 04 are well maintained which are: Groblersdal, Roosenekal, 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.

3.17.7 Safety and Security

3.17.7.1 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 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 purpose of safety and security unit is to ensure that vehicle and pedestrian traffic are controlled effectively (24) twenty-four hours a day (365) three hundred and sixty-five days a year.

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 by effectively executing speed law enforcement at 20 identified hot spots in the area of jurisdiction of Elias Motsoaledi Local Municipality.

Municipality works jointly with Limpopo Provincial Department of Transport and the SAPS to reduce accidents during the festive seasons that include the Easter - and Christmas holidays.

Table 23: Law Enforcement statistics

Description	2017/ 2018	VALUE	2018/ 2019	VALUE
Total Section 56 issued	3 974	R 4 541 750.00	3 985	R 4 877 550.00
Total Section 341 issued	117	R 88 000.00	131	R 109 500.00
Total Camera fines printed	100 854	R 77 911 050.00	57 155	R 43 658 700.00
Total Section 56 paid	789	R 648 030.00	650	R 305 460.00
Total Section 341 paid	12	R 8 800.00	10	R 4 250.00
Total Camera fines paid	11 623	R 6 684 828.00	9 128	R 5 131 285.00
Total Section 56 withdrawn	1 441	R 1 315 750.00	1 612	R 2 12 950.00
Total Section 341 withdrawn	6	R 6 750.00	0	0
Total Camera fines closed	13 841	R 10 947 800.00	457	R 355 500.00
Warrants	1 423	R 1 823 250.00	1 067	R 1 446 600.00
Total Section 56 outstanding	1 744	R 2 229 500.00	1 671	R 2 108 050.00
Total Camera fines outstanding	75 390	R 60 278 422.00	60 324	R 46 870 750.00
Total Section 341 outstanding	107	R 78 750.00	121	R 100 750.00

3.17.2 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	2017/2018	2018/2019
Number of learners application received	1330	902
Number of learners licence passed	806	510
Number of learners licence failed	473	349

Table 25: Driver's license information

Description	2017/2018	2018/2019
Number of drivers licence application received	1482	1813
Number of drivers licence passed	1228	1581
Number of drivers licence failed	127	138

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.18 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. 7.71km of roads were completely surpassed through MIG grant and internal funding in the year under review.

3.19 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.

3.20 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	2018/2019			
	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	1	14%

Table 27: Capital expenditure for ICT unit

Capital Expenditure 2018/2019: ICT Services					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Computer Equipment	300 000	800 000	700 232.90	99 767.10	700 232.90

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE

STRATEGIC OBJECTIVES : To promote integrated human settlements

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target		Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
Spatial planning	% site demarcation at Ga-Matsepe	1000 000	869 565	0	New	100% site demarcation application		15% appointment letter and inception report	Delays due to requirements to comply with supra legislations as well as consultation with the host traditional authority	Council granted approval of extension of period in terms of se 116 of MFMA	Appointment letter and inception report	Not achieved	Development planning
Spatial planning	% site demarcation at Inkosi Mahlangu				New	100% site demarcation application		15% appointment letter and inception report	Delays due to requirements to comply with supra legislations as well as consultation with the host traditional authority	Council granted approval of extension of period in terms of se 116 of MFMA	Appointment letter and inception report	Not achieved	Development planning
Spatial planning	Subdivision of Erve Roosenekaal	Opex	Opex	opex	New	100% approved subdivision application		15% appointment letter and inception report	Delays due to requirements to comply with supra legislations as well as consultation with the host traditional authority	Council granted approval of extension of period in terms of se 116 of MFMA	Appointment letter and inception report	Not achieved	Development planning
Land use management	% development of land use scheme (LUS)	Opex	Opex	0	new	50% LUS status quo report		50% LUS status quo report	None	None	LUS status quo report	Achieved	Development planning
Land use management	% of land use applications received and processed within 90 days	Opex	Opex		100%	100%		100% of land use applications received and processed within 90 days	None	None	Land use application register	Achieved	Development planning
Compliance with National building regulations	% of new building plans of less than 500 square meters assessed within 10 days of receipt of plans	n/a	n/a		100%	100%		100% of new building plans of less than 500 square meters assessed within 10 days of receipt of plans	None	None	Building plans application register	Achieved	Development planning
Compliance with National building regulations	% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	n/a	n/a		100%	100%		100% % of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	None	None	Building plans application register	Achieved	Development planning
Compliance with National building regulations	% of inspections conducted on building construction with an approved plan to ensure compliance with Sec 6© and 17(b) of national regulations and building standard Act	n/a	n/a		100%	100%		100% % of inspections conducted on building construction with an approved plan to ensure compliance with Sec 6© and 17(b) of national regulations and building standard Act	None	None	Inspection report	Achieved	Development planning

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION

Strategic objectives: To build capable, responsive, accountable, effective and efficient municipal institutions and administration

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
Policy review	Number of corporate services related policies reviewed and approved	n/a	0	0	new	3 overtime policy, subsistence and traveling policy	9 policies reviewed	None	None	Council resolution	Achieved	Corporate services
Policy development	Number of policies developed and approved	n/a	n/a	0	new	1 behaviour management policy	0 draft behaviour management/ personal protection of information policy in place Record management policy was developed	Awaiting comments on draft behaviour management policy Personal protection of information policy from SSA (state security agency)	Follow up on draft behaviour management policy Development of records management policy was consequent to audit findings	Council resolution	Not achieved	Corporate services
Employment equity	Establishment of employment equity forum by 1 February 2019	n/a	0	0	New	1	1 employment equity forum established prior to 1 February 2019	None	None	Appointment letters	Achieved	Corporate services
	Submission of employment equity report to DOL by 31st January 2019	n/a	n/a	n/a	New	1	1 employment equity report to DOL by 31st January 2019	None	None	Acknowledgement letter	Achieved	Corporate services
Skills programme	Number of employees approved for study financial assistance	opex	Opex	Opex	New	1	4 employees approved for study financial assistance	None	None	Approved letters signed by municipal manager	Achieved	Corporate services
WSP	Approval of reviewed WSP (work skills plan) by 30 June 2019	n/a	n/a	n/a	new	1	1 WSP (workplace skills plan) reviewed by 30th June 2019	None	None	Council resolution	Achieved	Corporate services
	% of a municipality's budget actually spent on implementing its workplace skills plan	1%	1%	1%	0.9%	1%	1.97%(1 364 573.61/R1 403 100.00) municipality's budget actually spent on implementing workplace skills plan	None	Nine	Budget report	Achieved	Corporate services
LLF	Number of LLF meetings held	n/a	n/a	n/a	6	12	13 LLF meetings held	Municipal grading, slowness of job evaluation	Continuous engagement with SALGA and organised labour	Attendance register and minutes	Achieved	Corporate services
ICT	Number of ICT steering committee meetings	n/a	n/a	n/a	5	4	4 ICT steering committee meetings held	None	None	Attendance register and minutes	Achieved	Corporate services
	Number of ICT reports generated	n/a	n/a	n/a	New	8	8 ICT reports generated	None	None	ICT reports	Achieved	Corporate services
Customer services	Number of customer care services reports generated	n/a	n/a	n/a	New	8	8 Customer care services reports generated	None	None	Customer care reports	Achieved	Corporate services
Staff turnover	Number of staff turnover reports generated	n/a	n/a	n/a	New	8	8 Staff turnover reports generated	None	None	Staff turnover reports	Achieved	Corporate services

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION (Continued)

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
Occupational health and safety (OHS)	Number of OHS reports generated	n/a	n/a	n/a	New	8	8 OHS reports generated	None	None	OHS reports	Achieved	Corporate services
Employee Assistance Programme (EAP)	Number of employee assistance programme reports generated	n/a	n/a	n/a	New	8	8 Employee assistance programme reports generated	None	None	EAP reports	Achieved	Corporate services
Disciplinary cases	Number of disciplinary cases reports generated	n/a	n/a	n/a	New	8	8 Disciplinary cases reports generated	None	None	Disciplinary cases report	Achieved	Corporate services
Training	Number of training reports generated	n/a	n/a	n/a	New	8	8 Training reports generated	None	None	Training reports	Achieved	Corporate services
Performance management	% of KPI and projects attaining organisational targets (total organisation) by 30 June 2019	Opex	Opex	Opex	67%	95%	73% KPI and projects attaining organisational targets (total organisation) by 30 June 2019	09 capital projects were not achieved, AG matters and internal audit findings were not fully addressed	To ensure improvement in all KPA's in the next financial year	Performance report	Not achieved	Municipal manager
	Final SDBIP approved by mayor within 28 days after approval of budget	n/a	n/a	n/a	1	1	1 Final SDBIP approved by mayor within 28 days after approval of budget	None	None	Approved SDBIP	Achieved	Municipal manager
Municipal infrastructure grant (MIG)	Number of MIG reports submitted to Coghsta	n/a	n/a	n/a	New	12	12 MIG reports submitted to Coghsta	None	None	Proof of submission	Achieved	Infrastructure
Department of energy (DOE)	Number of reports submitted to department of energy	n/a	n/a	n/a	New	12	12 reports submitted to department of energy	None	None	Proof of submission	Achieved	Infrastructure

KPA: 3 LOCAL ECONOMIC DEVELOPMENT

Strategic objectives: To promote conducive environment for economic growth and development

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
EPWP	Number of job opportunities provided through EPWP grant by 30 June 2019 (GKPI)	EPWP grant	EPWP Grant		68	69	69 EPWP participants employed	None	None	List of approved appointees	Achieved	Development planning
	Number of job opportunities created on capital projects through EPWP grant by 30 June 2019 (GKPI)	EPWP grant	EPWP grant	10 002 000	468	500	312 job opportunities created on capital projects through EPWP grant by 30 June 2019 (GKPI)	Unable to reach target due to the designs of projects	Training of consultants and municipal officials	List of appointees	Not achieved	Infrastructure
	Grant agreement signed between EMLM and dept of public works stipulating the EPWP targets	n/a	n/a	n/a	1	1	1 Grant agreement signed between EMLM and dept of public works stipulating the EPWP targets	None	None	Signed grant agreement	Achieved	Municipal manager
SMME's	Number of networking events held by 30 June 2019	Opex	Opex		3	2	4 networking events held by 30 June 2019	None	None	Reports and attendance registers	Achieved	Development planning
	Number of SMME'S and co-operatives capacity building workshops/training held by 30 June 2019 (LED training)	Opex	Opex		13	8	13 SMME'S and co-operatives capacity building workshops/training	None	None	Reports and attendance registers	Achieved	Development planning
LED strategy	% Reviewal of LED strategy	Opex	Opex	0	new	100% draft LED strategy	0% draft LED strategy	The identified client was unable to furnish the required documents to implement sec 32 of SCM regulation	To review the strategy internally	None	Not achieved	Development planning

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
Electricity	Number of stands provided with electrical infrastructure by 30 June 2019 (GKPI)	INEP	INEP	7 439 000	98%	783	1188	None	None	Completion certificate	Achieved	Infrastructure
	% development of public lighting master plan	Opex	Opex	Opex	15%	100% developed public lighting master plan and adopted by council	100%	None	None	Council resolution	Achieved	Infrastructure
Roads and Stormwater	Kilometres of roads upgraded from gravel to tar	MIG	MIG	52 462 232	8.26 km	9.3km	7.71km	Laersdrift project still under construction	To be finalised in 2019/2020 fy	Completion certificate	Not achieved	Infrastructure
Roads and Stormwater	Kilometres of gravelled roads regaveled	Opex	Opex	Opex	New	30km	70km	None	None	Completion certificate	Achieved	Infrastructure
	Kilometres of gravelled roads bladed	Opex	Opex	Opex	New	350km	536km	None	None	Completion certificate	Achieved	Infrastructure
Energy efficiency and demand site management	% installation of energy efficient management system	Opex	Opex	4 991 011.00	New	100% completion of installation of energy efficient management system	100%	None	None	Completion certificate	Achieved	Infrastructure
Indigents	% of indigents households with access to free basic electricity services by 30 Jun 2019 (GKPI)	Opex	Opex	Opex	19% (1500)	2.5% (1500)	20.99%	None	None	Indigent register and Eskom beneficiary list	Achieved	Budget and treasury
Transversal programmees	Number of transversal programmes implemented in term of mainstreaming with respect to HIV/AIDS, Gender, Disabled, Woman and Children Rights by the 30 June 2019	Opex	Opex	opex	10	4	8	Implementation of special programmes in partnership with sector department	None	Programme and attendance register	Achieved	Executive support
Waste management	% of households with access to a minimum level of basic waste removal by 30 June 2019 (once per week) (GKPI)	Opex	Opex	Opex	9%	9% (5985) from billing report over the 66330 from the IDP of the total household)	8% (5457) from billing report over the 66330 from the IDP of the total household)	The target was inclusive of billing of other institutions	To target to be calculated on households only	Service reconciliation report	Not achieved	Community services
Education / libraries	Number of initiatives held to promote library facilities by 30 June 2019	n/a	n/a	n/a	4	4	4 initiatives held to promote library facilities by 30 June 2019	None	None	Attendance register and report	Achieved	Community services
Environmental management	Number of waste minimisation projects initiated by 30 June 2019 (environmental awareness programmes)	Opex	Opex	Opex	4	4	4 Environmental awareness programmes conducted	None	None	Attendance register and report	Achieved	Community services
Disaster management	Number of disaster awareness campaigns conducted by 30 June 2019	Opex	Opex	Opex	4	4	4 Disaster awareness campaigns conducted	None	None	Attendance register and report	Achieved	Community services

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objectives: To provide for basic services delivery and sustainable infrastructural development

CAPITAL PROJECTS

Ward no	Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
25	Electrification of households at Makaepa village	% electrification of households in Makaepa (279)	2 869 565	2 869 565	2 869 565	100%	100% electrification of households in Makaepa (279)	100%	None	None	Completion certificate	Achieved	Infrastructure
9	Reticulation of stands with electrical infrastructure at New Town (Thambo village)	Number of stands reticulated with electrical infrastructure by June 2019	2 912 000	2 912 000	2 906 125	100%	283 stands reticulated with electrical infrastructure by June 2019	283	None	None	Completion certificate	Achieved	Infrastructure
14	Reticulation of stands with electrical infrastructure at Masakaneng	Number of stands reticulated with electrical infrastructure by June 2019	2 912 000	2 912 000	2 908 329	90%	221 stands reticulated with electrical infrastructure by June 2019	221	None	None	Completion certificate	Achieved	Infrastructure
13	Installation of electrical meters in Groblersdal	% installation of bulk, prepaid meters and vending system	1 304 384	0	0	New	100% completion of installation of bulk prepaid meters and vending system by June 2019	0%	Contractor not yet appointed due to non-responsiveness of tender bids	Adjustment of specification vending system from pre-paid meters. Re-advertise	None	Not achieved	Infrastructure
13	Upgrading of Groblersdal substation	Initiation of Groblersdal substation upgrade (zero weighted)	869 565	0	0	New	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)
20,18,10,25	Monsterlus to makgopheng road, kgoshi Mathebe and kgoshi Matsepe	% construction of Monsterlus to Makgopheng road, kgoshi Mathebe and kgoshi Matsepe	7 826 087	7 826 087	7 820 631	new	100% construction of Monsterlus to makgopheng road, kgoshi Mathebe and kgoshi Matsepe	100%	None	None	Completion certificate	Achieved	Infrastructure
21	Kgaphamadi road	% construction of Kgaphamadi road	15 601 739	17 340 874	17 326 798	74%	100% construction of Kgaphamadi road by 30 June 2019	71% contractor is currently busy with Stormwater drains and earthworks	Progress is moving on a slow pace	The project is multi year and to be completed in 2019/2020 fy	Progress report	Not achieved	Infrastructure
13	Groblersdal roads and streets	% construction of Groblersdal roads and streets	1 739 130	3 843 483	3 843 483	100%	100% maintenance of Groblersdal roads and streets by 30 June 2019	100%	None	None	Completion certificate	Achieved	Infrastructure
14	Naganeng construction of bus route	% construction of Naganeng bus route	8 817 000	5 500 391	5 500 391	95%	100% construction of Naganeng bus route by 30 March 2019	100%	None	None	Completion certificate	Achieved	Infrastructure
7	Nyakoroane road construction	% construction of Nyakoroane road	1 304 348	1 304 348	1 298 900	new	100% construction of Nyakoroane road by 30 June 2019	100%	None	None	Completion certificate	Achieved	Infrastructure

CAPITAL PROJECTS

Ward no	Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
5	Mpheleng road construction	% construction of Mpheleng road	8 478 261	8 478 261	8 476 254	new	100% construction of Mpheleng road by 30 June 2019	100%	None	None	Completion certificate	Achieved	Infrastructure
31	Motetema internal streets	% development of designs for Motetema internal street	3 478 261	0	0	0%	100% designs of Motetema internal streets by 30 June 2017	0% tender advertised and closed	Re-advert due to non-responsiveness of bidders	To accelerate procurement of service provider	Detailed design report	Not achieved	Infrastructure
29	Ramogwerane to Nkadameng road and storm water	% construction of Ramogwerane to Nkadameng road and storm water	1 500 000	1 500 000	1 497 760	0%	100% construction of Ramogwerane to Nkadameng road and storm water by 30 June 2019	100%	None	None	Completion certificate	Achieved	Infrastructure
30	Laersdrift road	% construction of Laersdrift road	6 087 000	15 059 225	13 077 753	New	100% construction of Laersdrift road by 30 June 2019	79,3% contractor is busy with kerbs, prefabricated and Stormwater culverts	Application for connection on the intersection was submitted to SANRAL on the 12 June awaiting approval	Contractor to proceed with excavation and apply for extension of time to catch up with work	Progress report	Not achieved	Infrastructure
13	Development of workshop offices	% development of workshop offices	4 447 165	4 447 165	4 447 165	0%	100% development of workshop offices by 30 June 2019	65%	Target was overstated due to poor planning	Do proper planning in future	Progress report	Not Achieved	Infrastructure
13	Mobile offices	% construction of mobile offices (zero weighted funds relocated)	500 000	0	0	New	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)	Zero weighted (funds relocated)
n/a	Furniture and office equipment	% expenditure on furniture and office equipment	400 000	400 000	279 060.40	100%	100% expenditure on furniture and office equipment	70% (279 060.40/400 000.00) expenditure and office equipment	Tender non-responsiveness	Consideration in the next financial year	Expenditure report Purchase order Delivery note	Not achieved	Corporate services
n/a	Computer equipment	% expenditure on computer equipment	500 000	1 000 000	594 063.53	100%	100% expenditure on computer equipment	59% (594 063.53/1 000 000) expenditure on computer equipment	Anticipate posts were not filled hence additional computers were not procured	Expenditure anticipated to occur as an when vacant posts are filled Service providers contract terminated	Expenditure report Purchase order Delivery note	Not achieved	Corporate services
n/a	Machinery and equipment	% expenditure on machinery and equipment	500 000	400 000	322 648	100%	100% expenditure on machinery and equipment	81% (322 648/400 000) expenditure on machinery and equipment	Expenditure indicator	Saving i.e met demands with less	Expenditure report Purchase order Delivery note	Not achieved	Corporate services

CAPITAL PROJECTS

Ward no	Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
n/a	Air conditioners	% expenditure on supply and installation of air conditioners	500 000	400 000	297 000	100%	100% expenditure on supply and installation of air conditioners	74% (297 000 /400 000) expenditure on supply and installation of air conditioner	Expenditure indicator	Savings i.e central air conditioner's supply and installation in the BTO	Expenditure report Purchase order Delivery note	Not achieved	Corporate services
13	Groblersdal landfill site	Upgrading of landfill site	3 000 000	1 600 000	0	New	% construction of the cell	50% designs completed	Budget was adjusted downward during budget adjustment	The projects is fully funded for the next financial year 2019/2020	None	Not achieved	Community services
9	Fencing of Elandsdoorn cemeteries	% fencing of Elandsdoorn cemeteries	521 739	521 739	0	New	100% fencing of Elandsdoorn cemeteries by June 2019	0% fencing of Elandsdoorn cemeteries by June 2019	MBD9 form stated wrong terms of reference and resulted in the tender to be withdrawn	None No provision is made on 2019/2020 budget	The MBD9 form of the tender advertised	Not achieved	Community services

ROLLED OVER PROJECTS

30	Laersdrift road	% construction of Laersdrift road	380 806	0	380 806	New	100% construction of Laersdrift road by 30 June 2019	79,3% contractor is busy with kerbs, prefabricated and Stormwater culverts	Application of connection of the intersection was submitted to SANRAL on the 12 June awaiting approval	Contractor to proceed with excavation and apply for extension of time to catch up with work	Progress report	Not achieved	Infrastructure
25	Electrification of households at Makaepa village	% electrification of households in Makaepa (279)	2 869 565	0	2 869 565	100%	100% households reticulated and energised by June 2019 (279)	100%	None	None	Completion certificate	Achieved	Infrastructure
14	Reticulation of stands with electrical infrastructure at Masakaneng	Number of stands reticulated with electrical infrastructure by June 2019	2 912 635	0	2 908 329	100%	221 stands reticulated with electrical infrastructure by June 2019	221	None	None	Completion certificate	Achieved	Infrastructure

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Strategic Objective: To improve sound and municipal financial management

Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges / variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
Financial management	Cost coverage ratio by the 30 June 2019 (GKPI)	Opex	Opex	n/a	4:01	1 to 3 months	0.28 Cost coverage ratio by the 30 June 2019 (GKPI)	Poor expenditure management	Reduce contracted services and implement cost containment measures	2018/2019 AFS	Not achieved	Budget and treasury
Revenue	% outstanding service debtors to revenue by the 30 June 2019 (GKPI)	Opex	Opex	n/a	15%	5%	19.20% outstanding service debtors to revenue by the 30 June 2019 (GKPI)	Levying of property rates on unproclaimed township	Perform data cleansing on the valuation roll	2018/2019 AFS	Not achieved	Budget and treasury
Budget	Submission of MTREF budget to council 30 days before the start of the new financial year	n/a	n/a	n/a	1	1	1 MTREF budget to council 30 days before the start of the new financial year	None	None	Council resolution	Achieved	Budget and treasury
AFS	Audited annual financial statements (AFS) and audit report submitted to council by 25 January 2019	n/a	n/a	n/a	1	1	1 Audited annual financial statements (AFS) and audit report submitted to council by 25 January 2019	None	None	Council resolution	Achieved	Budget and treasury
SCM	Number of monthly SCM deviation reports submitted to municipal manager (reducing number of deviations)	n/a	n/a	n/a	12	12	12 monthly SCM deviation reports submitted to municipal manager (reducing number of deviations)	None	None	Signed deviation register	Achieved	Budget and treasury
Expenditure	% payment of creditors within 30 days	Opex and capex budget	Opex and capex budget	Opex and capex budget	100%	100%	100% payment of creditors within 30 days	None	None	Creditors age analysis	Achieved	Budget and treasury
Assets management	Number of assets verification reports submitted to municipal manager by 30 June 2019	n/a	n/a	n/a	1	1	1 assets verification reports submitted to municipal manager by 30 June 2019	None	None	Assets verification report signed by MM	Achieved	Budget and treasury
Expenditure	% spend of the total operational budget excluding non-cash items by 30 June 2019	Opex	Opex	Opex	86%	95%	103% spend of the total operational budget excluding non-cash items by 30 June 2019	None	None	Budget report	Achieved	Municipal manager
	Remuneration (employee related costs and councillors remuneration) as % total operating expenditure per quarter	Opex	Opex	Opex	<44%	25% to 40%	40% Remuneration (employee related costs and councillors remuneration) as % total operating expenditure per quarter	None	None	Section 71 report	Achieved	Municipal manager
Project management	% spending on MIG funding by the 30 June 2019	MIG	MIG	52 462 232	100%	100%	98% spending on MIG funding by the 30 June 2019	The unspent 2% is the additional allocation due to delay in approval of connection to R555 road by SANRAL	To apply for roll over from treasury	MIG monthly report	Not achieved	Infrastructure
Electricity	% spending on INEP funding by 30 June 2019	INEP	INEP	7 439 000	new	100%	100% spending on INEP funding by 30 June 2019	None	None	INEP monthly report	Achieved	Infrastructure

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic objectives: To enhance good governance and public participation

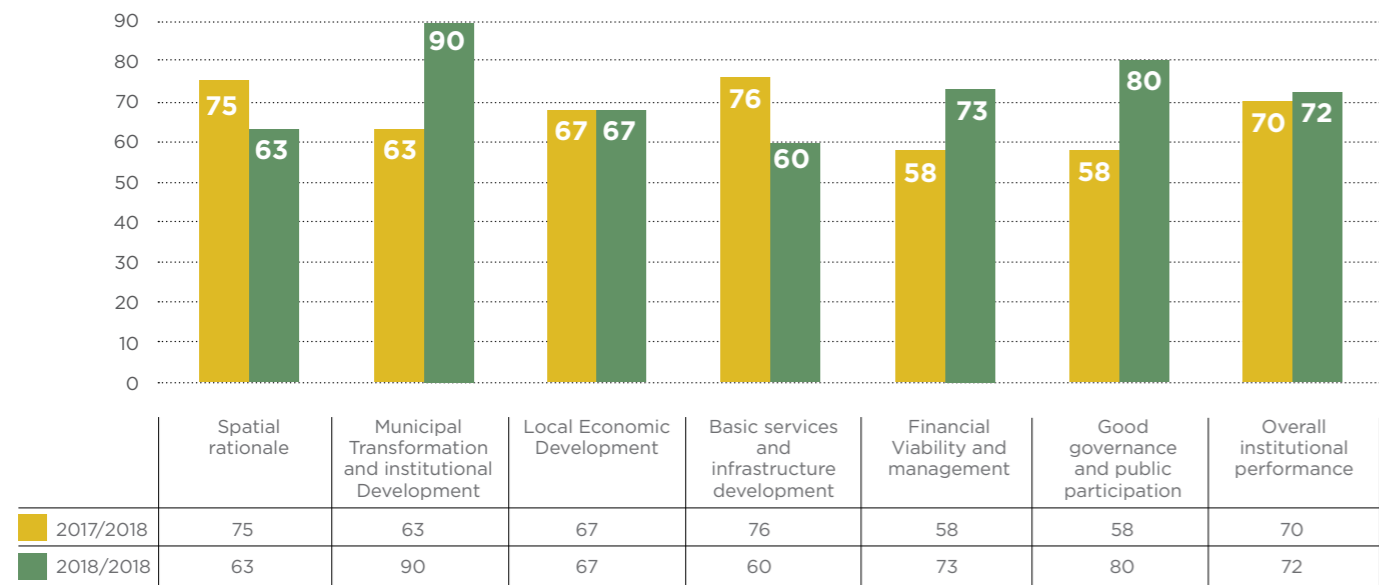
Programme	Key performance indicator	Budget Source	Adjusted budget	Expenditure	Audited Baseline 2017/18	Annual target	Progress to date	Challenges /variances	Remedial action	Evidence	Achieved / Not achieved	Responsibility
Good governance and oversight	Submission of final audited consolidated annual report to council on or before end of January 2019	n/a	n/a	n/a	1	1	1	None	None	Council resolution	Achieved	Municipal manager
	Submission of annual report oversight report to council by March 2019	n/a	n/a	n/a	new	1	1	None	None	Council resolution	Achieved	Municipal manager
	2019/2020 IDP review process plan approved by 30th June 2019	n/a	n/a	n/a	new	1	1	None	None	Council resolution	Achieved	Municipal manager
IDP development	Final IDP tabled and approved by council by 31 May 2019	n/a	n/a	n/a	1	1	1	None	None	Council resolution	Achieved	Municipal manager
Audit	Obtain an unqualified auditor general opinion for the 2017/18 financial year	n/a	n/a	n/a	Qualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	None	None	AGSA audit report	Achieved	Municipal manager
Audit	% of auditor general matters resolved as per the approved audit action plan by 30 June 2019 (Total organisation)	n/a	n/a	n/a	82%	100%	85%	The remaining findings can not be addressed retrospectively and others are work in progress	To address the findings going forward to avoid re-occurrence of the findings in future	Audit action plan	Not achieved	Municipal manager
Audit	% internal audit findings resolved per quarter as per the audit plan (total organisation)	n/a	n/a	n/a	new	90%	77%	The remainder findings are work in progress	To address the findings going forward to avoid re-occurrence of the future findings in future	Quarterly IA status report	Not Achieved	Municipal manager
Risk management	Number of risk management reports submitted to risk management committee per quarter	n/a	n/a	n/a	new	4	4	None	None	Quarterly risk management report	Achieved	Municipal manager
Risk management	Number of quarterly risk management committee meetings convened by June 2019	n/a	n/a	n/a	new	4	3	Lack of quorum	An independent chairperson has been appointed	Attendance register and minutes	Not achieved	Municipal manager
Risk management	% execution of identified risk management plan within prescribed timeframes per quarter (total organisation)	n/a	n/a	n/a	95%	100%	100%	None	None	Quarterly risk assessment reports	Achieved	Municipal manager
Community participation	Number of public participation reports submitted to council	n/a	n/a	n/a	3	4	4	None	None	Council resolution	Achieved	Executive support
MPAC	Number of MPAC quarterly reports submitted to council	n/a	n/a	n/a	4	4	7	There were unplanned MPAC investigations reports submitted to council	None	Council resolution	Achieved	Executive support
Mayoral programme	Number of mayoral outreach projects initiated by 30 June 2019	Opex	Opex	Opex	3	4	4	None	None	Report and attendance register	Achieved	Executive support
Ward committee	Number of ward committee reports submitted to council quarterly	n/a	n/a	n/a	New	4	4	None	None	Council resolution	Achieved	Executive support
	Number of ward committee conference held	Opex	Opex	Opex	New	2	2	None	None	Report and attendance register	Achieved	Executive support

Summary of performance

No.	Key Performance Area	Total number of KPIs		Number of KPI's achieved		Number of KPI's not achieved		Zero weighted		Performance percentage per KPA	
		2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
1	Spatial Rationale	8	8	6	5	2	3	0		75%	63%
2	Municipal transformation and institutional development	8	20	5	18	3	2	0		63%	90%
3	Local economic development	6	6	4	4	2	2	0		67%	67%
4	Basic service delivery and Infrastructure development	49	35	35	21	11	14	3	2	76%	60%
5	Financial viability and management	13	11	7	8	5	3	1		58%	73%
6	Good governance and public participation	12	15	7	12	5	3	0		58%	80%
	TOTAL	96	95	64	68	28	27	4	2	70%	72%

Zero weighted KPI are excluded from total KPI.

Performance per KPA



CHAPTER

04



Organisational Development Performance



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
Dismissal/ Terminations	1
Contract ended	0
Retention	0
Death	0
Retirements	3
Ill health	0
Resignation	5
Total number of vacancies	43
Total number of employees	360
Total posts on the organogram	403

Table 2: Turnover rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2016/2017	364	21	5.8%
2018/2019	361	22	6%
2018/2019	339	7	2%

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

Table 3: Organisational structures information

Description	2018/2019			
	Approved Posts	Employees	vacancies	Variance
	No.	No.	No.	%
Infrastructure services	110	88	22	20%
Municipal manager' office	22	14	8	36%
Development planning and Local Economic development	17	13	4	24%
Community services	141	110	31	22%
Budget and Treasury	59	49	10	17%
Executive Support	36	26	10	28%
Corporate services	44	41	3	7%
Totals				

Table 3: Vacancy rate information

Vacancy Rate 2018/2019			
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	0
CFO	1	6 months	1
Executive Support	1	0	0
Development Planning	1	0	0
Community Services	1	0	0
Infrastructure	1	0	0
Corporate Services	1	0	0
Other S57 Managers (Finance posts)	0		
Chief Risk Management Officer(T15)	1	0	0
Manager Communication (T15)	1	0	0
Manager Hlogotlou Service Delivery Point (T15)	1	0	0
Manager Roosenekal Service Delivery Point(T15)	1	0	0
Manager Motetema Service Delivery Point (T15)	1	0	0
Electrical Engineer (T16)	1	0	0
Manager Electrical (T15)	1	3 years	0
Manager PMU (T15)	1	0	0
Manager Road, Storm water & Maintenance (T15)	1	0	0
Manager legal (T15)	1	0	0
Manager audit (T15)	1	0	0
Manager PMS (T15)	1	0	0
Manager IDP (T15)	1	0	0
Manager Human Resource (T15)	1	0	0
Manager Council Support (T15)	1	0	0
Manager Intergovernmental relations	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 Planning	1	0	0
Manager fleet	1	0	0
Deputy CFO	1	0	0
Manager Enviromental	1	0	0
Manager Public Safety	1	0	0
Manager Licensing	1	0	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 twenty 26 policies were reviewed.

Table 4: Approved and reviewed policies

No.	Policy name	Approved	Reviewed	Resolution number	Date approved
1.	Credit control policy		x	BT18/19-66	28/05/2019
2.	Investment policy		x	BT18/19-66	28/05/2019
3.	Budget policy		x	BT18/19-66	28/05/2019
4.	Borrowing policy		x	BT18/19-66	28/05/2019
5.	Expenditure management policy		x	BT18/19-66	28/05/2019
6.	Assets management policy		x	BT18/19-66	28/05/2019
7.	Supply chain management policy		x	BT18/19-66	28/05/2019
8.	Indigent policy		x	BT18/19-66	28/05/2019
9.	Virements policy		x	BT18/19-66	28/05/2019
10.	Funding and reserves policy		x	BT18/19-66	28/05/2019
11.	Property rates policy		x	BT18/19-66	28/05/2019
12.	Tariff policy		x	BT18/19-66	28/05/2019
13.	Roads and storm water policy		x	I18/19-34	11/10/18
14.	Patch management policy		x	C18/19-20	28/08/2018
15.	Physical server room access policy		x	C18/19-21	28/08/2018
16.	Anti-virus policy		x	C18/19-22	28/08/2018
17.	Fire wall policy		x	C18/19-23	28/08/2018
18.	User Access Control Policy		x	C18/19-68	26/06/2018
19.	Health and safety policy		x	C17/18-85	26/06/2018
20.	Employment Equity Policy and Plan		x	C17/18-90	26/06/2018
21.	Records Management Policy		x	C18/19-55	25/02/2019
22.	Records Management Plan		x	C18/19-56	25/02/2019
23.	Cellphone and Mobile Data Policy		x	C18/19-18	28/08/2018
24.	Overtime Policy		x	C18/19-10	28/08/2018
25.	Leave Policy		x	C18/19-11	28/08/2018
26.	Subsistence and Travel Allowance Policy		x	C18/19-34	27/03/2019

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	83	04	25%	20,75	R96 792, 47
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0

Table 7: Average sick leave per employees

2018/2019 - Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Unskilled (Levels 1-4)	179	1,7%	22	107	80
Semi-Skilled (Levels 5)	261	6,7%	15	39	80
Skilled (levels 6-7)	155	1,9%	20	78	80
Specialised skilled (Levels 8-10)	208	3,5%	31	60	80
Professional (Level 11-14)	225	5,6%	25	40	80
Managerial skilled (Level 15)	119	4,9%	13	24	80
Strategic Management (MM and S57)	16	2,3%	2	07	80
Total	1163	26,6%	125	355	560

* - Number of employees in post at the beginning of the year

*Average calculated by taking sick leave in column 2 divided by total employees in column 5

Average sick leave per employees (excl IOD)



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
Assistant Sup Traffic	1. Misuse of municipal fire arm. 2. Unauthorised possession of municipal property 3. Violation of Fire Arm Control Act 60 of 2000	01/ 12/ 2017	Case was finalised and employee found guilty and dismissed. The employee appealed against the ruling of the commissioner	27/ 11/ 2018

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			

4.4 PERFORMANCE MANAGEMENT

In EMLM, performance management is limited to Section 56 Managers. The municipality has conducted the 2017/2018 annual performance assessments for 04 senior managers who signed the performance agreements and no senior manager qualified for performance bonuses. The 2018/2019 mid-year assessment was also conducted as a monitoring process 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	✓	
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 personnel capacity building. 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, 83 (45 males and 38 females) employees received different training. The WSP and annual training report were submitted to LGSETA.

Municipality budgeted R 1 503 900 that was adjusted downwards during adjustment budget to R1 207 103 for personnel training. The total amount of R1 364 574 was spent on training by end of the financial year. The variance for the year was R157 471. Municipality did receive the mandatory grants in the form of rebates from LGSETA for the funding of HR students workbased exposure training for the year under review.

Table 10: Training for officials

Programme	No. Of Officials	Males	Female	Status
Municipal Governance	5	1	4	Completed
Monitoring and Evaluations	3	2	2	Completed
Advanced driving	1	1	0	Completed
Records management	35	18	17	Completed
Contract management	3	1	2	Completed
Road maintenance	6	6	0	Completed
Customer care services	3	3	0	Completed
Municipal finance management program	9	4	5	Completed
Sundry debtors and sundry registry	3	1	2	Completed
Vip sage (HR module)	3	2	1	Completed
Risk management	8	3	5	Completed
Audit and ethics	1	0	1	Completed
Supply chain management	2	2	0	Completed
Environmental management	1	1	0	Completed
Total	83	45	38	

Table 11: Training for councillors

Programme	No. Of Councillors	Males	Female	Status
Municipal Executive Financial Management	3	1	2	In progress
Executive Leadership Municipal Development	6	6	0	In progress
Public Administration and Management	3	2	1	In progress
TOTAL	12	9	3	

Table 12: Compliance with prescribed minimum competency levels

Prescribed minimum competency levels						
Description	A	B	Consolidated:	Consolidated:	Consolidated:	Consolidated:
	Total number of officials employed by municipality (regulation 14(4)(a) and (c))	Total number of officials employed by municipal entities (regulation 14(4)(a) and (c))	Total of A and B	Competency assessments completed for A and B (regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with regulation 16 (regulation 14(4)(f))	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	1	1	1
Senior Managers	4	0	4	4	4	4
Any other financial officials	45	0	38	0	0	27
Finance managers	5	0	5	0	0	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

ORGANISATIONAL DEVELOPMENT PERFORMANCE

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

CHAPTER

05



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: Cash flow management and investments

Component D: Other financial matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction to Financial Statements

Elias Motsoaledi Local Municipality handed over the 2017/18 annual financial statements to the Auditor General (Limpopo) on 31st August 2018 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	2017/18	Budget Year 2018/19			Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Budget	Adjusted Budget
Revenue by Source						
Property rates	25 978	36 650	33 010	32 756	11%	1%
Service charges - electricity revenue	67 575	89 297	81 798	75 108	16%	8%
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitary revenue	-	-	-	-	-	-
Service charges - refuse revenue	7 299	12 249	8 127	7 854	36%	3%
Service charges - other	-	-	-	-	-	-
Rental of facilities and equipment	944	1 220	1 000	1 644	-35%	-64%
Interest earned - external investments	2 928	3 000	2 800	2 966	1%	-6%
Interest earned - outstanding debtors	9 693	8 161	6 692	8 350	-2%	-25%
Dividends received	-	-	-	-	-	-
Fines, penalties and forfeits	67 325	73 218	70 209	56 635	23%	19%
Licences and permits	4 956	4 950	5 200	4 707	5%	9%
Agency services	-	-	-	-	-	-
Transfers and subsidies	226 163	245 278	245 278	245 283	0%	0%
Other revenue	11 118	2 761	1 582	1 721	38%	-9%
Gains on disposal of PPE	-	-	-	-	-	-
Total Revenue (excl capital transfers)	423 980	476 783	455 697	437 024	8%	4%
Expenditure By Type						
Employee related costs	127 202	134 149	130 473	146 968	-10%	-12.64%
Remuneration of councillors	22 874	25 070	24 291	23 662	6%	3%
Dept impairment	74 839	53 421	55 000	47 752	11%	13%
Depreciation & asset impairment	53 654	51 181	51 181	54 178	-6%	-6%
Finance charges	281	2 500	2 900	2 797	-12%	4%
Bulk purchases	68 602	80 000	70 000	73 727	7.84%	-5.32%
Other materials	9 806	17 093	8 829	12 552	27%	-42.18%
Contracted services	67 951	60 020	59 841	69 384	-16%	-16%
Transfer and subsidies	841	4 404	3 580	2 483	44%	31%
Other expenditure	93 908	43 468	43 074	43 614	0%	-1%
Loss on disposal of PPE	1 470	-	-	-	-	-
Total Expenditure	521 428	471 306	449 169	477 117	-1%	-6%
Surplus (Deficit)	(97 448)	5 477	6 528	(40 092)		
Transfers and subsidies - capital (monetary allocation)	97 901	63 830	94 050	70 766		
Surplus (Deficit) after capital transfers & contributor	453	69 307	100 578	30 674		
Taxation	-	-	-	-		
Surplus (Deficit) after taxation	453	69 307	100 578	30 674		
Surplus (Deficit) attributable to municipality	453	69 307	100 578	30 674		
Surplus (Deficit) for the year	453	69 307	100 578	30 674		

STATEMENTS OF FINANCIAL PERFORMANCE

Description	2017/18	Budget Year 2018/19			Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
ASSETS					
Current assets					
Cash	6 194	2 457	8 691	12 339	8 691
Call investment deposits	-	15 582	15 582	11 838	15 582
Consumer debtors	24 953	40 483	40 483	28 840	40 483
Other debtors	30 866	58 923	58 924	47 417	58 924
Current portion of long-term receivables	-	-	-	-	-
Inventory	3 328	3 400	3 400	6 245	3 400
Total current assets	65 342	120 845	127 079	106 679	127 079
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	53 739	53 728	53 728	58 240	53 728
Investment in Associate	-	-	-	-	-
Property, plant and equipment	952 317	1 016 632	1 016 632	999 144	1 016 632
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	85	291	291	39	291
Other non-current assets	12 706	12 841	12 841	13 539	12 841
Total non-current assets	1 018 848	1 083 492	1 083 492	1 070 962	1 083 492
TOTAL ASSETS	1 084 189	1 204 337	1 210 572	1 177 641	1 210 572
LIABILITIES					
Current Liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	10 000	6 811	9 624	6 811
Consumer deposits	5 249	5 260	5 260	5 383	5 260
Trade and other payables	81 839	52 466	52 466	113 764	52 466
Provisions	4 251	5 412	2 412	3 762	2 412
Total current liabilities	91 339	73 138	66 949	132 534	66 949
Non-current liabilities					
Borrowing	-	30 677	23 240	13 469	23 240
Provisions	93 955	85 952	85 952	94 152	85 952
Total non-current liabilities	93 955	116 629	109 192	107 621	109 192
TOTAL LIABILITIES	185 294	189 767	176 141	240 155	176 141
NET ASSETS	898 896	1 014 570	1 034 431	937 486	1 034 431
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus(Deficit)	898 896	1 014 570	1 034 431	937 486	1 034 431
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	898 896	1 014 570	1 034 431	937 486	1 034 431

COMMENT ON FINANCIAL PERFORMANCE

Revenue

Property rates

The original budget for property rates for 2018/19 financial year was R36, 650 million which was adjusted downwards to R33, 010 million and the actual revenue billed is R32, 756 million. This gave rise to an unfavourable variance of 11% and 1% respective 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 R101, 546 million that was adjusted downwards to R89, 925 million and the actual revenue generated was R82, 962 million that reflects a 81,70% and 92,26% unfavourable 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. Interest on investments budget was adjusted downwards to R2, 800 due to under performance in the first few months of the financial year, and this resulted in the actual interest earned exceeding the adjusted budget by 5,93%. The performance of this revenue line item reflects an improved investment practice of the municipality.

Transfer recognized - operational

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

Other Income

The over performance of other revenue is attributed to revenue from clearance certificates and advertisement boards. This revenue is hard to accurately project due to its dependency on the rate of consumers who turn up for those revenue related activities, and hence the inconsistencies between the budget and actuals thereof. The adjusted budget was slightly close to the actual revenue received.

Expenditure

Employee related cost

The over performance of employee related cost is as a result of classification of remuneration of ward committee members that according to GRAP is part of employee related cost and in terms of mSCOA is part of general expenses. In terms of the financial statements presentation, the line item is classified as employee related cost yet the budget is sitting under general expenses. In addition, the over performance has partially resulted from actuarial gains and losses as well as other actuary related expenses that were not incorporated in the budget particularly on original budget. There is overspending of 12,64% based on the adjusted budget.

Remuneration of Councillors

Remuneration of Councillors relates to salaries of Public Office Bearers and the original budget thereof was R25, 070 million that was adjusted downwards to R24, 291 million and the actual expenditure incurred amounted to R23, 662 million. The increase from 2017/18 to 2018/19 financial year expenditure is as a result of implementation of upper limits.

Depreciation and asset impairment

Provision was made in the budget for capital asset depreciation and impairment and the budget thereof was R51, 181 million and it was reduced from the 2017/18 actuals, due to the disposals planned to be incurred in 2018/19, however number of assets that were not included in the asset register were included; some assets were incorrectly valued and donated assets no accounted for and this resulted in depreciation and assets impairment increasing from R51, 181 million to R54, 178 million and also had a negative impact on unauthorised expenditure.

Materials and bulk purchases

This line item was mainly for purchase of electricity. The bulk purchase expenditure was within the approved budget thereof and this gave rise to a favourable variance of 7, 84% and the adjustment budget was slightly unfavourable with the variance of 5, 32%. Other materials mainly relate to materials and supplies relating to both repairs and maintenance and cleaning materials. The actual expenditure thereof is higher than the adjustment budget by variance of 42.18%.

Transfers and grants – expenditure

Transfers and grants refer to subsidies made to indigent and pensioners consumers, external bursaries awarded, 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 appears to be too little in light of Equitable share allocation that amounted to R237, 506 million since this is the source of funding thereof. The number of registered indigents is still little and hence the underspending of R1, 097 million of the budget allocated for this subsidy.

Finance charges

Finance charges is mainly interest on finance lease and this was informed by the amortisation schedule thereof. The original budget thereof was R2, 500 million the budget was later revised and led to upward adjustment to R2, 900 million. The actual expenditure incurred was R2.797.

Other expenditure

Other expenditure line item includes items such as debt impairment; contracted services; lease rentals on operating lease; loss on disposal of property, plant and equipment as well as general expenses. The actual expenditure is higher as compared to 2017/18 financial year actuals and this is attributed to debt impairment of traffic fines; contracted services and leases.

5.2 GRANTS

Description	2017/18	Budget Year 2018/19					Adjustment budget
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD Budget	Budget original	
R thousands							%
EXPENDITURE							
Operating expenditure of Transfers and Grants							
National Government	226 163 000	240 283 153	240 283 157	240 283 153	240 283 153	100%	100%
Local Government Equitable Share	223 019 000	237 511 153	237 511 153	237 511 153	237 511 153	100%	100%
Finance Management	1 700 000	1 770 000	1 770 000	1 770 000	1 770 000	100%	100%
EPWP Incentive	1 444 000	1 002 000	1 002 000	1 002 000	1 002 000	100%	100%
Total operating expenditure of Transfers and Grants:	226 163 000	240 283 153	240 283 157	240 283 153	240 283 153	100%	100%

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All grants gazetted for 2017/18 financial year were received and cognizance should be taken that the above table does not include capital grants. The total amount received on operational grants amounted to R240, 283 during the 2018/19 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	2017/18	Budget Year 2018/19				Adjustment budget
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget original	
R thousands						
Repairs and Maintenance	12 304 962	17 093 456	8 908 782	15 839 277	93%	178%
Depreciation and asset impairment	53 448 631	51 180 556	51 180 598	54 138 249	106%	106%
Renewal of existing assets	42 569 456	34 071 304	41 456 765	35 017 880	103%	84%
Asset register summary (WDV)	951 854 000	1 070 651 027	1 016 922 723	999 314 468	93%	98%

COMMENT ON ASSET MANAGEMENT:

The actual asset register value for 2017/18 is R951, 854 million and the original budget thereof was R1, 070 billion that was adjusted down to R1, 016 billion during the adjustments budget. Taking the actual book value as at end of 2018/19 financial year of R999, 314 million, and the asset register value had increased and this attributed to high spending on capital budget and assets that were not included in the register and incorrectly valued in the previous financial years that are now recorded in the register.

The additional assets that were recognized resulted in increase on depreciation and asset impairment of R2, 957 million. Cognizance should be taken that this from budget point of view is a non-cash item (i.e. the movement did not have cash flow implication) and as a result it is pure financial accounting transaction.

In addition, capital expenditure (renewal of existing assets) amounting to R35, 017 million and repairs and maintenance amounting to R15,837 million was incurred during the 2018/19 financial year.

REPAIR AND MAINTENANCE EXPENDITURE

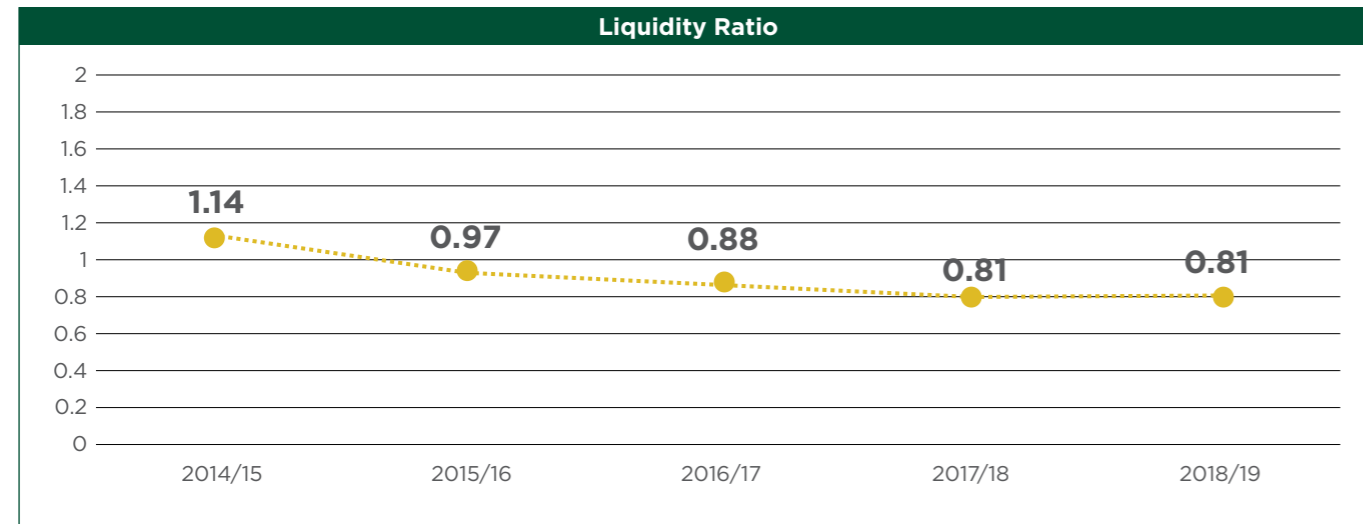
Description	2017/18	Budget Year 2018/19				Adjustment budget
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget original	
R thousands						
Repairs and Maintenance	12 304 962	17 093 456	8 908 782	15 839 277	93%	178%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance budget represent 92, 66% of the total original budget and 177, 79% of the adjusted budget and in terms of the actual expenditure, the spending represent 3, 32% of the total operating expenditure incurred for 2018/19 financial year. A total of R15, 839 million was spent, reflecting an underspending variance of 7% based on original budget and over-spending variance 77, 79% based on adjusted budget.

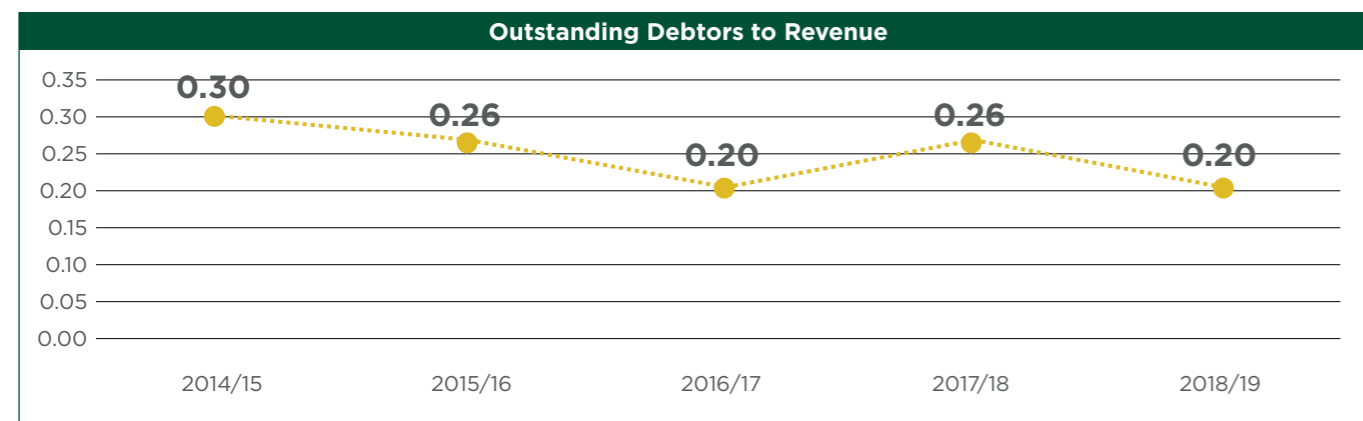
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Graph 1: Liquidity ratio



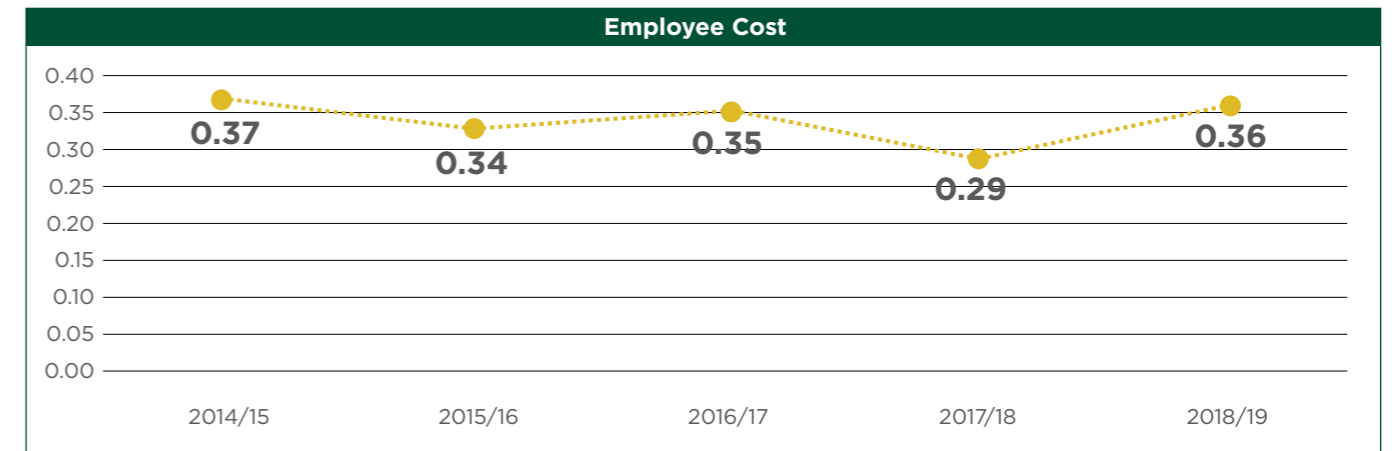
Liquidity Ratio - Measures the municipality's ability to pay its bills, and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better; however, the graph portrays a picture that shows a staggering liquidity ratio for 2018/19 financial year since the ratio is less than 1. This is attributed to high amount of invoices that were paid at year end using accruals.

Graph 2: Outstanding Debtors to revenue



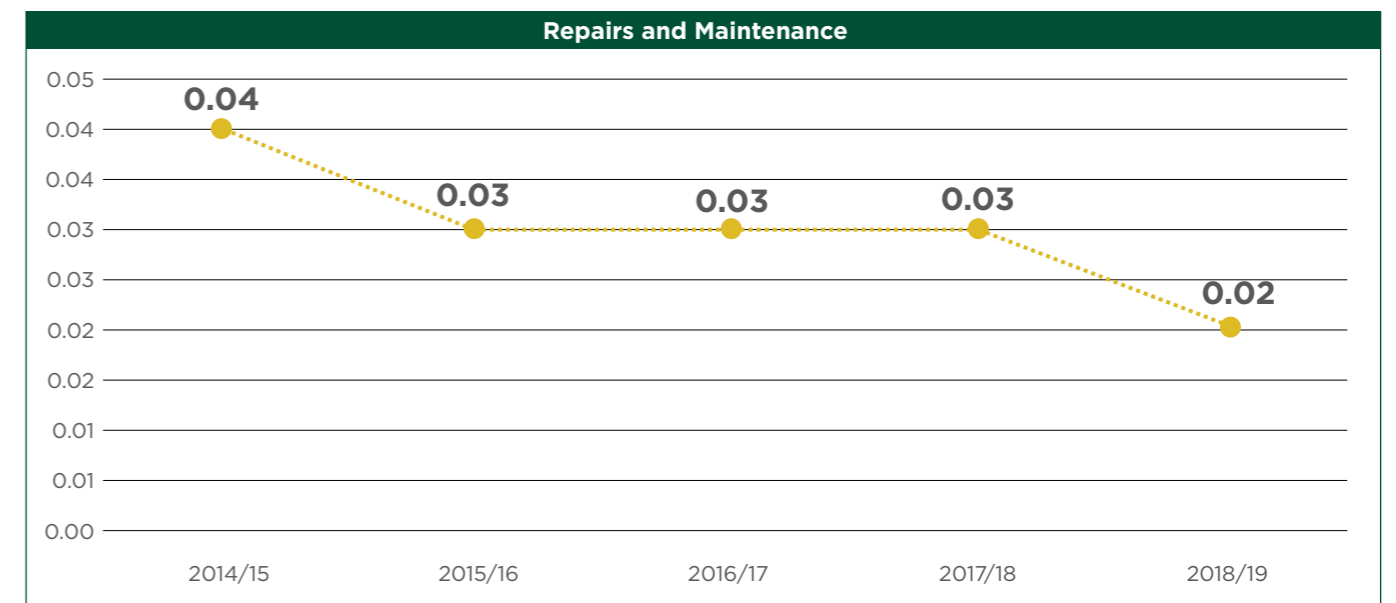
Outstanding Service Debtors to Revenue - Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue thereof. A lower score is better. The graph shows that the municipality has a ratio of 0.20 outstanding debtors that has slightly decreased by 0.06 when compared to 2017/18 ratio.

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 invoiced that are paid accruals at year end since the magnitude thereof was too high in 2018/19 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.

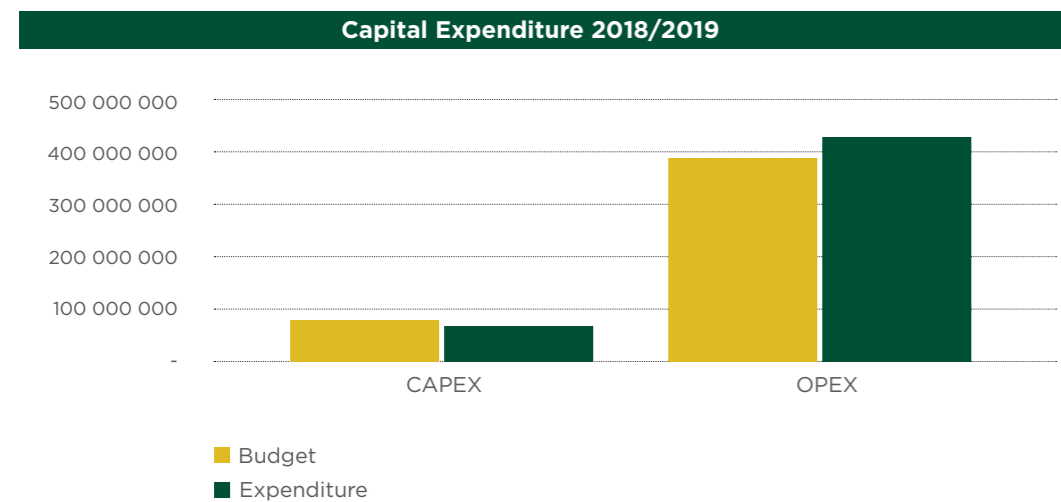
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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 2018/2019



5.6 SOURCES OF FINANCE

Vote Description	2017/18	Budget Year 2018/19			Variance	
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Budget	Adjusted Budget
Funded by:						
National Government	83 864	55 504	81 841	61 536	-11%	25%
Provincial Government	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	83 864	55 504	81 841	61 536	-11%	25%
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally generated funds	23 699	20 365	15 417	18 155	11%	-18%
Total Capital Funding	107 563	75 869	97 258	79 690	-5%	18%
Capital Expenditure						
Roads, pavement and bridges	84 672	55 854	75 023	63 909	-14%	15%
Electricity	12 946	10 868	13 487	8 647	20%	36%
Landfill site	-	3 000	1 600	1 234	59%	23%
Other Assets	-	278	278	620	-123%	-123%
Cemeteries/Crematoria	-	522	522	-	100%	100%
Computer Equipment	749	500	1 000	594	-19%	41%
Furniture and Office Equipment	362	400	400	183	54%	54%
Municipal Offices	-	4 447	4 947	4 503	-1%	9%
Sports and recreation	8 834	-	-	-	-	-
Total Capital Expenditure - Functional Classification	107 563	75 869	97 258	79 690	-5%	18%
Roads, pavement and bridges	78.72%	73.62%	77.14%	18.20%		
Electricity	12.04%	14.32%	13.87%	10.85%		
Landfill site	0.00%	3.95%	1.65%	1.55%		
Other Assets	0.00%	0.37%	0.29%	0.78%		
Cemeteries/Crematoria	0.00%	0.69%	0.54%	0.00%		
Computer Equipment	0.70%	0.66%	1.03%	0.75%		
Furniture and Office Equipment	0.34%	0.53%	0.41%	0.23%		
Municipal Offices	0.00%	5.86%	5.09%	5.65%		
Sports and recreation	8.21%	0.00%	0.00%	0.00%		

COMMENT ON SOURCES OF FUNDING:

The original capital budget for 2018/19 financial year was R75, 869 million that was adjusted upward to R97, 258 million. The actual expenditure is R79, 690 million and this reflects an under-spending variance of 18,06% and this under spending was on grants funded and internally funded projects.

FUNDING OF CAPITAL BUDGET:

Original budget: R55, 504 million was funded by grants and R20, 365 million was funded internally

Adjusted budget: R81, 841 million was funded by grants and R15, 417 million was funded internally

Actual expenditure: R61, 536 million was funded by grants and R18, 155 million was funded internally

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital Expenditure on Five Largest Projects*					
Name of Project	R'000			Variance Current Year	
	Current Year		Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
	Original Budget	Adjustment Budget			
A – Kgaphamadi Bus Route	17,942	19,942	19,926		100%
B – Laersdrift Bus Road	7,000	16,515	15,039		91%
C – Kgoshi Mathebe, Matsepe and Makgopheng Ring Road	9,000		8,994		100%
D – Mpheleng Bus Route	9,750		9,748		100%
E – Naganeng Bus Road	10,140	6,625	6,625		100%

Name of Project - A	Kgaphamadi Bus Route
Objective of Project	Reduction in the level of service delivery backlogs
Delays	Slow progress on site, community outcry i.e non-payment of subcontractors
Future Challenges	Constant project stoppages
Anticipated citizen benefits	Easy access to services

Name of Project - B	Laersdrift Bus Road
Objective of Project	Reduction in the level of service delivery backlogs
Delays	Slow progress on site, delays in approving the designs for R555 intersection by SANRAL
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - C	Kgoshi Mathebe, Matsepe and Makgopheng Ring Road
Objective of Project	Reduction in the level of service delivery backlogs
Delays	None
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - D	Mpheleng Bus Route
Objective of Project	Reduction in the level of service delivery backlogs
Delays	None
Future Challenges	None
Anticipated citizen benefits	Easy access to services

Name of Project - E	Naganeng Bus Road
Objective of Project	Reduction in the level of service delivery backlogs
Delays	None
Future Challenges	None
Anticipated citizen benefits	Easy access to services

COMMENT ON CAPITAL PROJECTS:

During 2018/19 Financial Year, the Municipality received a Total Allocation of R61 832 000.00 (R53 832 000.00 + R8 000 000.00) of MIG grant inclusive of the additional fund. A total of five (5) projects were implemented, of which all were roads projects. As at end of the financial year, only three projects were completed and one was a multi-year project that continued into 2019/20 FY. One of the fifth project was rolled over with the approved amount of R 1.5 million, and is anticipated to be completed by end of December 2019.

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 only 4.%.

Service Backlogs as at 30 June 2019				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Electricity	66 330	95.3%	3112	4.7 %
Waste management	66 330	0%	66 330	16.5
Housing				

% HHs are the service above/below minimum standard as a proportion of total HHs.
'Housing' refers to * formal and ** informal settlements.

COMMENT ON BACKLOGS:

There is a minor backlog in terms of electricity only 4% backlog has been identified with regards to households that do not have access to basic electricity. This backlog is due to expansion of the existing villages.

Roads and storm water as key function of the municipality is being implemented by MIG funds and own funding. The municipality has a serious backlog on roads and storm water and has challenges of resources and lack of funding to enable them to deal with the backlog. The identified backlog of unsurfaced roads and storm water controls is up to 92% on the municipal road networks.

The municipality has a program for re-gravelling and blading of 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 2018/2019 on Service backlogs						
R' 000						
Details	Budget	Adjustment Budget	Actual	Original Budget	Variance Adjustment Budget	Major conditions applied by donor (continue below if necessary)
Infrastructure - Road transport						
Roads, Pavements & Bridges	R53,832	R61,832	R60,331	(R6,499)	R1,500	Prioritize residential infrastructure for roads and sports facilities
Storm water	R0	R0	R0	R0	R0	
Infrastructure - Electricity						
Generation	R0	R0	R0	R0	R0	
Street Lighting	R0	R0	R0	R0	R0	
Infrastructure - Other						
Transportation	R0	R0	R0	R0	R0	
Gas	R0	R0	R0	R0	R0	
Other Specify:						
Sports - Outdoor	R0	R0	R0	R0	R0	
Street Parking	R0	R0	R0	R0	R0	
Waste Management	R0	R0	R0	R0	R0	
Total	R53,832	R61,832	R60,331	(R6,499)	R1,500	

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.

Cash and cash equivalent of the municipality is made up of cash in the primary and all the short term investment.

5.9 CASH FLOW

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	20 409	28 587	20 797	1 827	27 132
Services charges	68 403	89 922	80 709	4 224	88 126
Other revenue	14 831	18 225	18 724	1 741	4 469
Government - operating	226 165	245 278	245 278	-	4 469
Government - capital	97 899	63 830	93 601	-	93 601
Interest	12 621	4 623	4 170	209	2 707
Dividends	-	-	-	-	-
Payments					
Suppliers and employees	(343 186)	(359 801)	(336 508)	(15 058)	(356 478)
Finance charges	(281)	(2 500)	(2 900)	(76)	(2 797)
Transfers and Grants	(841)	(4 404)	(3 580)	(86)	(2 483)
NET CASH FROM (USED) OPERATING ACTIVITIES	96 019	83 769	120 291	(7 219)	99 560
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 400	2 000	2 000	-	2 839
Decrease (Increase) in non-current debtors		2 000	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-
Decrease (Increase) in non-current investments		-	-	-	-
Payments					
Capital assets	(106 372)	(75 869)	(97 572)	(7 990)	(76 437)
NET CASH FROM (USED) INVESTING ACTIVITIES	(103 972)	(71 869)	(95 572)	(7 990)	(73 598)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans		-			-
Borrowing long term/refinancing		-		-	-
Increase (decrease) in consumer deposits	-	171	171	(603)	833
Payments					
Repayment of borrowing	(6 900)	(10 000)	(6 811)	(751)	(8 843)
NET CASH FROM (USED) FINANCING ACTIVITIES	(6 900)	(9 829)	(6 640)	(1 354)	(8 010)
NET INCREASE/ (DECREASE) IN CASH HELD	(14 854)	2 071	18 079	(16 562)	17 952
Cash/cash equivalents ant beginning	21 048	15 968	6 194		6 225
Cash/cash equivalents at monthly/year end	6 194	18 039	24 237		24 177

COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalent at the beginning of the financial year was R15, 968 million and when comparing this to the cash and cash equivalent as at end of 2018/19 financial year, the results reflects a increase in cash and cash equivalent of R2, 071 million and this portrays a negative picture about cash management of the municipality and this is supported by unfavourable liquidity ratio. 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 2016/17-2018/19			
R'000			
Instrument	2016/17	2017/18	2018/19
Municipality			
Long-term loans (annuity/reducing balance)	-	-	-
Long-term loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial leases	6.900	0	30,050
PPP liabilities	-	-	-
Finance granted by cap equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-marketable bonds	-	-	-
Bankers acceptances	-	-	-
Financial derivatives	-	-	-
Other securities	-	-	-
Municipal Total	6,900	0	30,050
Municipal Entities			
Long-term Loans (annuity/reducing balance)	-	-	-
Long-term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial leases	-	-	-
PPP liabilities	-	-	-
Finance granted by cap equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-Marketable bonds	-	-	-
Bankers acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Entities Total	-	-	-

Municipal and Entity Investments 2016/17 - 2018/19			
R'000			
Investment type	2016/17	2017/18	2018/19
	Actual	Actual	Actual
Municipality			
Securities - national government	-	-	-
Listed corporate bonds	-	-	-
Deposits -bank	15,631	0	11 837
Deposits -public investment commissioners	-	-	-
Deposits -corporation for public deposits	-	-	-
Bankers' acceptance certificates	-	-	-
Negotiable certificates of deposit - Banks	-	-	-
Guaranteed endowment policies (sinking)	-	-	-
Repurchase agreements - Banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
Municipal Entities			
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	15,631	0	11,837
Consolidated Total:	15,631	0	11,837

COMMENT ON BORROWING AND INVESTMENTS:

The municipality had borrowing in the form of finance lease for heavy machinery and equipment amounting to as R30, 050 million at end of 2018/19 financial year.

The closing balance on investments was R11, 837 for the financial year.

5.11 PUBLIC-PRIVATE PARTNERSHIPS

PUBLIC-PRIVATE PARTNERSHIPS

Not applicable

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

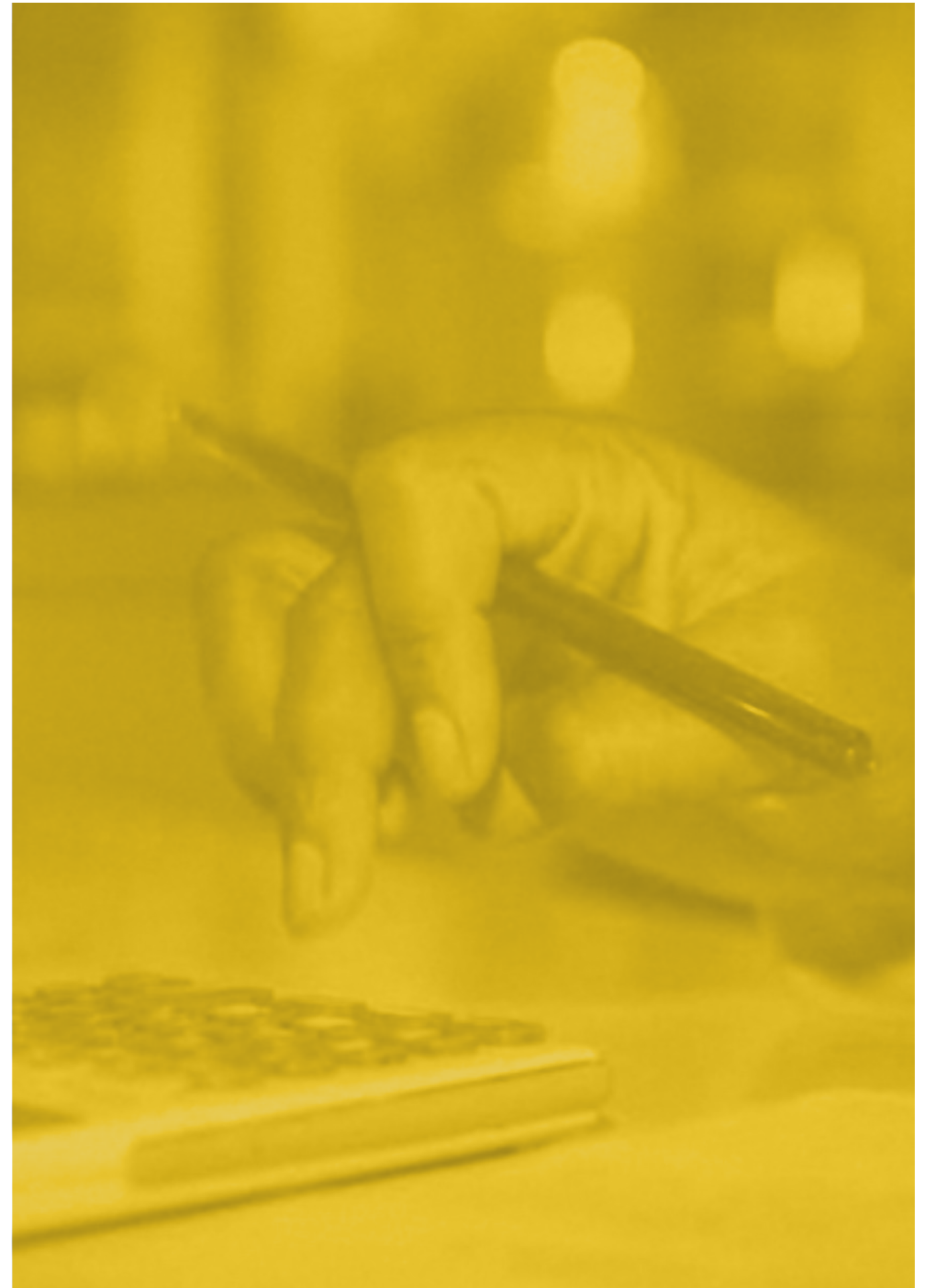
The financial statements for the 2018/19 financial year presents an irregular expenditure of R167, 142 million as opening balance and during the year irregular expenditure amounting to R49, 832 million was incurred. This leaves the municipality with overall irregular expenditure of R216, 975 million that emanated from procurement of goods and services without fully following the supply chain management processes. For 2018/19 financial year none of the year to date irregular expenditure was written off by Council of the municipality.

The municipality has implemented central supplier database that has been rolled out by National Treasury with the intention of maintaining a database of organisations, institutions and individuals who can provide goods and services to government institutions. This database serves as the single source of key supplier information for organs of state and it provides consolidated, accurate, up-to date, complete and verified supplier information to procuring organs of state.

5.13 GRAP COMPLIANCE

GRAP provides the rules and principles by which municipalities are required to abide by in preparing the financial statements. Successful GRAP compliance and implementation will ensure that municipal accounts are transparent, comparable and more informative to the users of the financial statement.

Elias Motsoaledi local municipality was audited on annual financial statements that were prepared using mSCOA trial balance and general ledger that were GRAP compliant.



5.14 SERVICE PROVIDER'S PERFORMANCE

PROJECT NAME	2018/2019 BUDGET	CHALLENGES (ANY SIGNS OF POOR PERFORMANCE)	MITIGATIONS (ANY WARNING GIVEN TO THE SERVICE PROVIDER)	NAME OF CONSULTANT / CONTRACTOR	ASSESSMENT RATING OR COMMENTS	CONSTRUCTION TENDER AWARDED TO
Kgaphamadi construction of bus route, bridge and storm water control PHIE	R19,942,000.00	The progress on site is proceeding at a slower pace	Weekly intervention meetings to monitor the progress	Sky High Consulting Engineers	4	
				Sihle Civil and Project Development	4	
Construction of Laersdrift bus road PH1B	R16,515,084.13	Contractor's progress is very slow	The contractor was requested to submit the revised programme of works with extension of time and catch-up plan	Dikgabo Consulting Engineers	4	
				Mothakge Phadima Construction	4	
Kgoshi Mathebe, Matsepe and Makgopheng construction of ring road and storm water control	R9,000,000.00	None	None	Tlou Integrated Tech	5	
				Moleleki A Tlala Transport and Projects	5	
Mpheleng construction of bus route and storm water control PH1D	R9,750,000.00	None	None	Munei Consulting and Project Managers	5	
				Maditsi Jan Construction and Projects	5	
Naganeng construction of bus road	R6,624,915.87	None	None	Dolmen Engineers	5	
				Sihle Civil and Project Development	5	
Development of Fleet centre PH2	R5,881,377.04	None	None	Dikgabo Consulting Engineers	5	
				Shatadi Developers	5	
Groblersdal Roads and Streets	R4,420,005.45	None	None	Kgwadi ya Madiba	5	
Rehabilitation of Ramogwerane to Nkadimeng Road	R1,725,000.00	None	None	Kgwadi ya Madiba	5	
Construction of Nyakoroane Road	R1,500,002.00	None	None	Kgwadi ya Madiba	5	
Upgrading of Groblersdal Landfill Site	R1,650,000.00	None	None	Moribo / Maditsi JV	5	
Energy Efficiency and Demand Site Management	R5,000,000.00	None	None	Xsemble	5	
Electrification of Makaepa	R3,300,000.00	None	None	NSK Electrical and Construction Managers	5	
				Lefhumo Lwa Barema Trading	5	
Electrification of Masakaneng	R3,344,000.00	None	None	NSK Electrical and Construction Managers	5	
				KF Phetla Projects	5	
Electrification of Tambo	R3,344,000.00	None	None	NSK Electrical and Construction Managers	5	
				Lefhumo Lwa Barema Trading	5	
Printing Services	As per the contract rates	None	None		4	n/a
Printing Services	As per the contract rates	None	None		4	n/a
Investigation Support to MPAC		None	None	KEP Consulting	4	n/a
Investigation Support to MPAC		None	None	Makanaka Risk & Advisory	4	n/a
Investigation Support to MPAC		None	None	RCA & Company	4	n/a
Develop Land Use Scheme status quo analysis	R500 000. 00	None	O B Media Solutions	Nhlase Development Consultants	3	n/a
Site Demarcations at 'Kgoshi' Matsepe traditional area	R500 000	None	KEP Consulting	Pfukani Kusile Consulting	3	n/a
Site Demarcations at 'Kgoshi' Mahlangu traditional area	R500 000	None	Makanaka Risk & Advisory	Mok Development Consultants	3	n/a
Subdivision of Residential Ervens in Roosenekal	R350 000	None	None	Black Dot Property Consultants	3	n/a
Outdoor advertising	n/a	Yes	Notified about displeasure of service and requested a performance report	DirectoSign	1	n/a

SERVICE PROVIDER'S PERFORMANCE

PROJECT NAME	2018/2019 BUDGET	CHALLENGES (ANY SIGNS OF POOR PERFORMANCE)	MITIGATIONS (ANY WARNING GIVEN TO THE SERVICE PROVIDER)	NAME OF CONSULTANT / CONTRACTOR	ASSESSMENT RATING OR COMMENTS	CONSTRUCTION TENDER AWARDED TO
Server, network maintenance and support	R2, 730, 698	No skill transfer	Service provider was engaged to implement skills transfer	PMH	3	n/a
Microsoft software licensing	R 924 911	Submission of invoice in dollars	Continuous engagement with National / Provincial Treasury	Microsoft	3	n/a
Maintenance of telephone management system	R2, 738, 597	Budget management system was not properly functional	The system was fixed to the extent that it is now properly functional	MHOFU	4	n/a
Bulk printing maintenance and support	R788, 314	Undesirably slow turnaround time in providing maintenance, repair & support	Continuous engagement with service provider	Canon Masakhane	1	n/a
Supply & delivery of computer hardware devices	R800,000	Delivery of goods & services behind scheduled time	Continuous engagement with service provider i.e. 16/07/2018	Moagi Technologies	1	n/a
Website maintenance and support	Finance (BTO) to provide details		None	SITA	4	n/a
Supply, installation, fault finding and repairs of air conditioners for	Finance (BTO) to provide details	None	None	Maditsi Jan Construction and Projects	3	n/a
Munsoft Consultants	R6 440 000 pa	None	None	Munsoft	3	n/a
Printing of statements [Expired]	R288 000 pa	None	None	CAB Holdings	3	n/a
Asset Management	R4 700 000 pa	None	None	Market Demand	3	n/a
Financial system	R 120 000 pa	None	None	Caseware	3	n/a
Valuation services	R144 000 pa	None	None	UNIQUECO	3	n/a
Financial services	Bank charges	None	None	Nedbank	3	n/a
Payment service [Expired]	R4.72 per transaction	None	None	Pay@	3	n/a
Data Validations [Expired]	R540 000 pa	None	None	Cross Check	3	n/a
Payroll services	R98 000 pa	None	None	VIP	3	n/a
Selema Plant Hire /Mashumi Construction supply JV	2 622 000.00	None	None	Mr Sihlangu	3	n/a
Selema Plant Hire Construction	320 000.00 pm	None	None	Mr Bill Ramonyai	3	n/a

RATING DESCRIPTION

Poor Performance	1
Fair Performance	2
Good Performance	3
Excellent Performance	4
Outstanding Performance	5



Auditor-General Audit Findings



REPORT OF THE AUDITOR GENERAL TO LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL OF THE ELIAS MOTSOLEDI 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 xx -xx which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets and 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 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 2019, and its financial performance and cash flows for the year then ended in accordance with accordance with South African standard of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (DoRA).

BASIS FOR QUALIFIED OPINION

Property plant and equipment

3. I identified a difference of R21 203 357 (2018: R23 688 449) between depreciation and the underlying records. The municipality did not reconcile the difference. Consequently, depreciation stated at R54 177 802 (2018: R53 653 958) as per the financial statements is overstated by R21 203 351 (2018: R23 688 449) and property, plant and equipment is understated by the same amount. Additionally, there was a resultant impact on surplus for the period and accumulated surplus.
4. I identified buildings with a carrying amount of R45 297 603 that meet the definition of Investment property in accordance with GRAP 16, Investment property, which was incorrectly accounted for as property, plant and equipment. Consequently, property, plant and equipment stated at R998 680 328 (2018: R952 369 603) in the financial statements is overstated by R45 297 602. I was unable to determine the full extent of the understatement of investment property stated at R58 239 775 (2018: R53 501 215). Additionally, there was a resultant impact on surplus for the period and accumulated surplus.

Finance lease obligation

5. I have identified a difference of R8 072 542 between the finance lease obligation and the underlying records. The municipality did not account for finance lease obligation in accordance with GRAP 13, Leases. Consequently, finance lease obligation of R23 093 165 as disclosed in note 15 to the financial statements is understated by R8 072 542 and property, plant and equipment is understated by the same amount. Additionally, there was a resultant impact on surplus for the period and accumulated surplus.

Allowance for impairment

6. I identified a difference of R19 396 867 between the allowance for impairment for consumer debtors from exchange transactions and the underlying records. The municipality did not reconcile the difference. Consequently, allowance for impairment of R52 582 997 as disclosed in note 13 to the financial statements is overstated by R19 396 867 and consumer debtors from exchange transaction is understated by the same amount. Additionally, there is a resultant impact on debt impairment, VAT receivable, surplus for the period and accumulated surplus.

Landfill site provision

7. I was unable to determine the present value for the rehabilitation of landfill site due to the status of the accounting records. I was unable to confirm the provision of landfill site by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the provision for landfill site of R51 958 701 (2018: R50 958 809) as disclosed in note 18 in the financial statements. Additionally, there was an impact on surplus for the period and accumulated surplus. Revenue from non-exchange transactions
8. The municipality incorrectly accounted for traffic fines receipt of R7 599 206 in revenue for fines, penalties and forfeits instead of reducing the receivables from non exchange transactions. Consequently, fines, penalties and forfeits is overstated by R7 599 206 and receivable from non exchange transactions is overstated by the same amount. Additionally, there was a resultant impact on the surplus for the period and accumulated surplus.

Bulk purchases

9. I was unable to obtain sufficient appropriate audit evidence for bulk purchases as the municipality did not maintain proper financial records for bulk purchases invoices before recording in the financial statements. I was unable to confirm the amount of bulk purchases by alternative means. Consequently, I was unable to determine whether any adjustments relating to bulk purchases stated at R73 726 891 in the financial statements was necessary. Additionally, there is a consequential impact on payables from exchange transaction, surplus for the period and accumulated surplus.

Cash flow statement

10. SA Standards of GRAP 2, Cash flow statements, requires that the municipality summarises the entity's operating, investing and financing activities. The municipality did not prepare and present its cash flow statement in accordance with GRAP 2 as differences were identified. Consequently, the cash flow statement was not properly prepared and presented as a result of the following:
- A difference of R5 415 886 was identified between cash generated from operation activities and the underlying records.
 - A difference of R33 182 733 was identified between net cash flow from investing activities and the underlying records.

CONTEXT FOR THE OPINION

11. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
12. I am independent of the Municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and, parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
13. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

15. As disclosed in note 41 to the financial statements, some corresponding figures for 30 June 2018 were restated as a result of errors discovered in the financial statements of the municipality at, and for the year ended, 30 June 2019

Significant uncertainties

16. With reference to note 38 of the financial statements, the municipality is currently involved in litigation with various third parties. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Unauthorised expenditure

17. As disclosed in note 45 to the financial statements, unauthorised expenditure to the amount of R109 649 323 was incurred, as the total amount appropriated in the municipality's approved budget has been overspent.

Fruitless and wasteful expenditure

18. As disclosed in note 46 to the financial statements, fruitless and wasteful expenditure to the amount of R595 640 due to non compliance with applicable laws and regulations.

Irregular expenditure

19. As disclosed in note 47 to the financial statements, irregular expenditure to the amount of R216 975 283 was incurred due to non-compliance with applicable laws and regulations.

Material losses – electricity

20. As disclosed in note 48 to the financial statements, material electricity losses of R17 995 804 was incurred, which represents 25% of total electricity purchased.

OTHER MATTERS

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

Unaudited supplementary schedules

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

Unaudited disclosure notes

23. 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 ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

24. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DoTA 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.
25. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure 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

26. 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
27. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

28. 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 key performance areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
29. 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.
30. 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 2019:

Objective	Pages in the annual performance report
KPA 4: Basic services and infrastructure	x-x

31. 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.
32. I did not raise any material findings on the usefulness and reliability of the reported performance information for this objective

OTHER MATTERS

33. I draw attention to the matters below.

Achievement of planned targets

34. Refer to the annual performance report on pages x-x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) x-x of this report.

Adjustment of material misstatements

35. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 4: Basic service and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

36. 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.

Annual financial statements

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R595 640, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
39. Effective steps were not taken to prevent irregular expenditure amounting to R49 832 896, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by contravention of supply chain management regulations.
40. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R35 450 000, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure was caused by overspending of the approved budget vote.

Revenue management

41. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

42. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Human resource management

43. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA. Procurement and contract management

44. A contracts was awarded to a bidder based on preference points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and its regulations.

OTHER INFORMATION

45. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the the audit committee's report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.
46. 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.
47. 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 [consolidated and separate] financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
48. 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

49. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
50. There was no detailed review of the financial statements and the annual performance report, resulting in several misstatements not identified and corrected.
51. The basic accounting principles of daily and monthly accounting and reconciling have not been implemented.
52. Supply chain management processes were inadequate resulting in irregular expenditure.
53. The financial statements and other information to be included in the annual performance report are not reviewed for accuracy and completeness by the accounting officer.
54. The municipality did not implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks, are conducted and that a risk strategy to address the risks are monitored.
55. The internal control monitoring mechanisms of the audit committee and the internal audit are not functioning optimally, as many control weaknesses are only detected during the audit of the financial statements.

Polokwane

30 November 2019



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

- 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 key performance areas and on the Municipality's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

- In addition to my responsibility for the audit of the financial statements as described in this 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, which constitutes 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 this auditor's report. However, future events or conditions may cause a municipality to cease continuing 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

- 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.
- 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, where applicable, related safeguards.

COMPONENT B: AUDITOR GENERAL'S OPINION 2018/2019

6.2 AUDITOR GENERAL'S REPORT 2018/2019

Auditor - General's Report on Financial Performance 2018/2019	
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 2018/2019	
Audit Report Status:	Unqualified opinion

Non-Compliance Issues	Remedial Action Taken
As stipulated in the AGSA report	Qualified opinion

6.3 MUNICIPAL MANAGER AND CHIEF FINANCIAL OFFICER'S COMMENTS:

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 2019 of the municipality was submitted to the Auditor General on the 30th August 2019.

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 2018/2019 was submitted to the Accounting Officer on 30 November 2019. The financial statements as on 30 June 2019 of the municipality was submitted within two months of the financial year end to the Auditor General on the Auditor General on the 30th August 2019.

The municipality has received a Qualified Audit opinion for the financial year ended 30 June 2019.

Council take note of the contents in the Auditor General report and Audit Action Plan developed to address issues raised by AGSA and the Annual Financial Statements.

6.4 AUDIT COMMITTEE COMMENTS:

The Audit Committee of the municipality has considered the Auditor General of South Africa (AGSA) report at a special meeting held with AGSA on 29 November 2019. The report showed a regress with the 2018/2019 audit outcome which was evidenced by a qualified audit opinion as compared to an unqualified audit opinion from the previous 2017/2018 financial year. The Audit Committee expressed their unhappiness to the municipality's management with regard to regress in the audit opinion. The Committee advised that management should develop an adequate Action Plan to address the findings which have been highlighted in the audit report as these may create problems in the upcoming audits if not attended to. The Audit Committee requested that management should put reasonable measures in place to ensure that there is no further regression from the current audit opinion, instead further improvement is expected in the future years.

6.5 AUDIT ACTION PLAN

Financial Year **2018/2019**
Municipality Name **Elias Motsoaledi Local Municipality**
Audit Opinion **Qualified**
Reporting Period **2018/2019**

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
1	Revenue	Matters affecting the auditor's report COMAF 37 - Consumer debtor's: Provision for impairment could not be recalculated	New	lack of policy in place for the calculation of consumer debtor impairment	To develop calculation method for consumer debtor impairment collaborate that into debtors and creditors policy	1/6/2020	30-Mar-20	CFO	none
2	Immovable Assets	Matters affecting the auditor's report COMAF 10 - Work in Progress: Prior period error correction misclassified as WIP Additions	New	lack of proper review of WIP register	To pass a journal within work in progress as follows: Opening balance WIP 2017/18 Dr R1281 135 WIP2018/19 Cr R1281 135	1/6/2020	28-Feb-20	CFO	none
3	Immovable Assets	Matters affecting the auditor's report COMAF 10 - Work in progress: Completed assets incorrectly classified as WIP	New	lack of proper review of WIP register	HIGHMAST LIGHTS PH3 to pass a journal within work in progress to ensure that project completion certificate is obtain and transfer from WIP to fixed asset register Signage on Municipal buildings & roads to pass journal to transfer project from WIP to fixed asset register	1/6/2020	28-Feb-20	CFO	none

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
4	Payments	Matters affecting the auditor's report 58-COMAF 43 - Expenditure Management	Recurring	Non-compliance with the Municipal Finance Management Act.	Comaf 46 :Fruitless and wasteful expenditure -to ensure that all invoice are paid in 30 days Complete the register of fruitless and wasteful expenditure Maintain adequate cash and cash equivalent so that the municipality will be able to service its obligations as and when they become due Management will ensure effective cash flow management	12/1/2019	30-Jan-20	CFO	on going process
5	Immovable Assets	Matters affecting the auditor's report COMAF 10 - Depreciation: Depreciation incorrectly calculated	New	lack of review to ensure the financial information not complete and accurate	management will reperform/ recalculate depreciation including carrying value starting from 2017/18 financial year to 2018/19	1/6/2020	30-Mar-20	CFO	none
6	Movable Assets	Matters affecting the auditor's report ISS.60-COMAF 17 - Investment Property Incorrectly classified.	Recurring	lack of review to ensure the financial information not complete and accurate	management will revisit the entire population of investment properties to determine any further misclassification of investment properties and further pass journal to reclassify to perform reconciliation between investment properties and lease register	1/6/2020	30-Mar-20	CFO	none

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress	
7	Other Disclosure	Matters affecting the auditor's report	COMAF 33 - Finance lease: Finance lease liability incorrectly calculated (Understatement).	New	Lack of adequate complete, accurate and reliable supporting documents					
						Correct the disclosure note in the financial statement	1/13/2020	28-Feb-20	CFO	none
8	Matters affecting the auditor's report	COMAF 10: Carrying amount incorrectly calculated	New	Lack of proper review of the fixed assets register	Management will reperform/ recalculate depreciation including carrying value starting from 2017/18 financial year to 2018/19	6-Jan-20	30-Mar-20	CFO	none	
										Immovable Assets
9	Immovable Assets	Matters affecting the auditor's report	COMAF 17 - Depreciation: Prior year (2017/18) Depreciation incorrectly calculated	New	Lack of proper review of the fixed assets register	Management will reperform/ recalculate depreciation including carrying value starting from 2017/18 financial year to 2018/19	6-Jan-20	30-Mar-20	CFO	none
10	Payments	Matters affecting the auditor's report	COMAF 8 - Bulk Purchases	New	Lack of proper review and monitoring on electricity consumption from Eskom					
						To start to monitor the consumption manually while looking into the option of purchasing the downloading software	1/6/2020	30-Mar-20	Senior Manager Infrastructure	none
11	Records	Matters affecting the auditor's report	ISS.17-COMAF 14 - Provision on land fill site not "correctly determined"	New	Lack of proper record keeping	To determine the correct amount for provision on landfill site	1-Jun-20	30-Jun-20	CFO	none
						To map the system correctly				

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress	
12	Revenue	Matters affecting the auditors report	ISS.25-COMAF 7 - Revenue from Exchange Non-Transactions: Fines, Penalties & Forfeits	Recurring	Lack in proper record keeping	Mapping of traffic fines receipts	1/6/2020	30-Jan-20	CFO	none
						Systems error	to remap the receipts from revenue to traffic fines debtors.			
13	Other Disclosure	Matters affecting the auditor's report	ISS.6-COMAF 15 - Cash Flow Statement Differences	Recurring	Lack of effective review					
						Adjust the cash flow and related notes with differences	2/12/2020	28-Feb-20	CFO	none
14	Other Disclosure	Other important matters	ISS.61-COMAF 17 - Investment property: Incomplete disclosure note	New	Lack of adequate review of financial statement disclosures for investment property	Management should review the financial statement and the note to the financial statements and ensure correct application of GRAP 16. In addition, should develop a checklist of information to be disclosed on the financial statements	10/1/2019	25-Nov-19	CFO	Adjusted
15	Procurement	Other important matters	ISS.23-COMAF 20 - Procurement: Incorrect functionality points allocation.	New	lack in reasonable steps to detect and prevent irregular expenditure from occurring	The chairperson of bid evaluation committee must ensure that bids are evaluated according to specifications	6-Jan-20	30-Mar-20	CFO	
						control deficiencies were noted in the management of consultants used by the municipality for the preparation of financial statements and related services and performance management consultancy services:				CFO

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
				lack of adequate controls to ensure consultants are properly managed and that skills are properly transfred to the municipalit	<ul style="list-style-type: none"> The municipality does not have a policy/ strategy which includes measures to address over reliance on consultants. 	1/6/2020	30-Mar-20	Senior manager infrastruture	none
Records	Other important matters	.ISS.14-COMAF 6 - Internal control deficiencies			<ul style="list-style-type: none"> The municipality has no consultancy reduction plan in place. The following details regarding transfer of skills are not specifically included in the terms of reference: <ul style="list-style-type: none"> employees to be trained; 			senior manager Corporate services	
16					To reconciliations performed between Valuation Roll and Munsoft.				
					To monitor electricity consumption from its own electricity meters.				
					to evaluate the competence of its employees.				
17	Revenue	ISS.44-COMAF 3 - RESOLVED - Revenue from non-exchange transaction - Difference between the Traffic fines schedule and the Financial Statement Amount	Recurring	The accounting officer should ensure that information which supports the annual financial statements is properly prepared and review before such information is presented in the AFS	to reclassify the traffic fines receipts from revenue to traffic fines debtors	1-Nov-19	25-Nov-19	CFO	Adjusted during audit

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
18	Immovable Assets	ISS.45-COMAF 1 - RESOLVED - Non-Current Assets- Difference between the Fixed asset register and the Financial Statement Amount	New	The accounting officer should ensure that information which supports the annual financial statements is properly prepared and review before such information is presented in the AFS.	adjustment to Fixed Assets Register (FAR), the Annual Financial Statements and Work in progress register as well as resubmission of both the final FAR and WIP register/s as management, mistakenly submitted the incorrect reports that in the main led to the misstatements in question. By resubmitting the two reports the identified discrepancies will be addressed and there will be alignment between FAR, AFS and WIP.	1-Nov-19	25-Nov-19	CFO	Adjusted during audit
19	Payments	46-COMAF 1 - Overstatement of 2018/19 Payables from Exchange Transactions	Recurring	The accounting officer should ensure that information which supports the annual financial statements is properly prepared and review before such information is presented in the AFS.	The accounting officer should ensure that information which supports the annual financial statements is properly prepared and review before such information is presented in the AFS.	11/1/2019	25-Nov-19	CFO	Adjusted during audit
20	Immovable Assets	ISS.48-COMAF 10 - Work in progress: Transfer of WIP project by more than carrying amount of the Project	New	lack of proper review of WIP register	revisit the work in progress population and ensure that the amount transferred from WIP to Infrastructure is equal to the carrying amount of the project	1/6/2020	30-Mar-20	CFO	none

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress	
21	Immovable Assets	Other important matters	ISS.50-COMAF 10 - Work in progress: Difference between Additions on WIP and Invoices supporting the addition	New	lack of proper review of WIP register	Construction of Fleet Centre	6-Jan-20	30-Mar-20	CFO	none
						Management propose to adjust work in progress register				
					Nyakoroane Road - to pass journal	1-Nov-19	30-Nov-19	CFO	journal passed	
22	Immovable Assets	Other important matters	ISS.51-COMAF 10 - Work in progress: Disclosure for Work in Progress projects that have been halted and have no progress	New	The Chief financial officer should design controls/ processes to identify and disclose all projects that are delayed or halted as required by GRAP 17 in the financial statements	adjusted during audit	11/1/2019	30-Nov-19	CFO	adjusted during audit
23	Revenue	Other important matters	ISS.57-COMAF 29 - Percentage of households with access to a minimum level of basic waste removal by 30 June 2019.	New	Management should ensure that proper monitoring and reviewing measures are in place to ensure that the performance indicator definitions are linked to the data collected.	The annual target will be based only on households as per the performance indicator	1-Nov-19	30-Nov-19	senior manager community services	adjusted during audit
						adjusted				
24	Other important matters	ISS.41-COMAF 12 - Commitments incorrectly valued	New	Management should ensure that the schedules that support the AFS correctly agree to the supporting documents.	resolved with the difference and proposed adjustments to the Kgapamadi project.	11/1/2019	30-Nov-19	CFO	adjusted during audit	

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress	
25	Other Disclosure	Other important matters	ISS.30-COMAF 21 - Contingent liabilities - Amount as per AFS does not agree to the supporting schedule	New	The Director Corporate services should design procedures to reconcile at year end all contingent liabilities of the municipality.	Adjust financial statement to remove the case from the disclosure	1-Nov-19	30-Nov-19	Municipal Manager	adjusted during audit
26	Liabilities	Other important matters	ISS.31-COMAF 24 - Contingent liabilities: Confirmations form Attorneys not provided	New	Management should ensure that proper record keeping is implemented and information is stored and filled systematically to ensure information is readily available when required	adjusted during audit	11/1/2019	30-Nov-19	Municipal Manager	adjusted during audit
27	Records	Other important matters	ISS.40-COMAF 38 - Contingent liabilities: Confirmations form Attorneys not provided	New	lack of proper records management	Management should ensure that proper record keeping is implemented and information is stored and filled systematically to ensure information is readily available when required	10/1/2019	30-Nov-19	Municipal Manager	adjusted during audit
28	Records	Other important matters	ISS.10-COMAF 9 - Claims recorded in an incorrect accounting period	New	lack of effective review	Management did not have measures in place to ensure that travel subsistence reimbursement not paid at year end get incorporated in the accrual listing	10/1/2019	30-Nov-19	CFO	adjusted during audit

AUDIT ACTION PLAN (CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
29	Records	Other important matters ISS.11-COMAF 9 - Overtime recorded in incorrect accounting period	Recurring	lack of effective review	Management did not have measures in place to ensure that overtime worked in June get incorporated in the accrual listing revisited the entire population of overtime claims and adjusted the financial statements by R162 079.	10/1/2019	30-Nov-19	CFO	adjusted during audit
30	Other Disclosure	Other important matters ISS.7-COMAF 26 - Budget Differences	New	Management should ensure that the actual amounts on comparable basis on statement of comparison of budget and actual amount agrees to the amount disclosed statement of financial performance Typing error	to correct the figures and typing per screenshot above , after visiting the entire population, we also propose to correct the numbering of the commentary as attached above	10/1/2019	30-Nov-19	CFO	adjusted during audit
31	Other Disclosure	Other important matters ISS.8-COMAF 30 - Presentation and Disclosure: Related Parties		ensure that the annual financial statements and notes are adequately reviewed to ensure that all items are disclosed with regards to their respective GRAP standards.	to ensure that amounts presented and disclosed on the financial statements are accurate	10/1/2019	30-Nov-19	CFO	adjusted during audit

AUDIT ACTION PLAN (CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
32	Payments	Other important matters ISS.9-COMAF 13 - Employee Cost Rent	Recurring	Controls not implemented to ensure compliance with tax act lack of policy	Management to decide on increasing the monthly rental to be market related or to tax the employees on the fringe benefit part of the rental or to dispose off the houses that are currently rented out to employees to develop policy	1/6/2020	30-Mar-20	CFO	none
33	Payments	Other important matters ISS.13-COMAF 9 - Medical aid company contributions in excess of limit set by SALGBC	New	Controls not implemented to ensure compliance with SALGBC	consult the affected parties to ensure compliance with the express terms of the provisions of the cited Circular 22/2018 of the Collective Agreement set out by the South African Local Governing Bargaining Council	1/6/2020	30-Mar-20	Senior Manager Corporate service	none
34	Other Disclosure	Other important matters 15-COMAF 27 - Other MFMA Disclosures	New	lack of review to ensure the financial information not complete and accurate	The chief financial officer did not adequate review the notes to the financial statement to ensure that required disclosures are presented on the financial statements.	10/1/2019	30-Nov-19	CFO	adjusted during audit
35	Other Disclosure	Other important matters . ISS.33-COMAF 40 - Financial Instruments	New	lack of review to ensure the financial information not complete and accurate	to adjust the note 42 Financial instruments adjusted AFS and management have subsequently adjusted.	10/1/2019	30-Nov-19	CFO	adjusted during audit

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
36	Payments	Other important matters ISS.38-COMAF 41 - VAT Receivable Understatement	Recurring	ensure that there are proper processes in place to ensure that all the balances/ amounts as disclosed on the financial statements and the notes agree to the schedules	Management performed the reasonability test and reconciliation	10/1/2019	30-Nov-19	CFO	adjusted during audit
37	Procurement	Other important matters ISS.2-COMAF 5 - Use of Consultants	Recurring	lack of adequate controls to ensure that consultants are properly managed and that skills are appropriately transferred to the municipality	corporate services department to draft a policy on the use of consultants in which the detailed framework on dealing with the use of consultants will be explained Management will ensure that all SLA includes a clause for transfer of skills	6-Jan-20	28-Feb-20	CFO	none
38	Payments	Other important matters ISS.54- Compliance: UIF not investigated	Recurring	Non-compliance with the Municipal Finance Management Act	Correction of relevant disclosure note in the financial statements	1/13/2020	28-Feb-20	CFO	
39	Movable Assets	Other important matters ISS.3-Prior period error note - PPE	Recurring	lack of review to ensure the financial information not complete and accurate	The accounting officer should ensure that sufficient reviews are performed on disclosure notes to ensure that complete information is recorded on the financial statements.	6-Jan-20	30-Mar-20	CFO	on going process
40	Movable Assets	Other important matters ISS.43-COMAF 31 - RESOLVED - Disclosure of Property, plant and equipment is not in accordance with GRAP	New	ensure that the annual financial statements and notes are adequately reviewed to ensure that all items are disclosed with regards to their respective GRAP standards.	Management proposes to reclassify solid waste infrastructure from other machinery and equipment to Infrastructure. Management also proposes to correct Asset ID 47037 on the FAR to bring the opening balance in line with the closing balance	10/1/2019	30-Nov-19	CFO	adjusted during audit

AUDIT ACTION PLAN

(CONTINUED)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Narrative to Progress
41	Payments	Other important matters ISS.29-COMAF 11 - Payables from exchange transactions: Retention Creditors	Recurring	lack of review to ensure the financial information not complete and accurate	Adjust financial statements specifically note 41	10/1/2019	30-Nov-19	CFO	adjusted during audit
42	Predetermined Objectives	Other important matters ISS.53-COMAF 18 - Annual Performance Report - Presentation and Disclosure	New	Annual performance report not well presented lack of effective review of the APR	Management should ensure that the presentation and disclosure in the Annual Performance Report is in accordance with the prescribed norms and standards.	10/1/2019	30-Nov-19	Municipal Manager	adjusted during audit
43	Predetermined Objectives	Other important matters ISS.55-COMAF 18 - Performance target not measured according to SMART criteria	New	Annual performance report not well presented lack of effective review of the APR	To ensure that target will be adjust to comply with smart criteria during SDBIPadjust of 2019/2020 financial year.	1-Feb-20	30-Mar-20	Municipal Manager	none
44	Predetermined Objectives	Other important matters ISS.56-COMAF 18 - Percentage development of workshop offices	New	Annual performance report not well presented lack of effective review of the APR	Management should ensure that the reported performance achievement is supported by the evidence in the Portfolio of evidence.	10/1/2019	30-Nov-19	Municipal Manager	adjusted during audit
45	Procurement	Other important matters ISS.24-COMAF 20 - Procurement: Non-Compliance with SCM regulation 32	New	Controls in the supply chain management regulations not implemented	To ensure that SCM regulation 32 is implemented	6-Jan-20	2-Feb-20	CFO	none
46	Revenue	Other important matters ISS.16-COMAF 14 - Landfill site incorrectly calculated (Dennilton)	New	lack of review to ensure the financial information not complete and accurate	The landfill site provision for Dennilton is understated by R2 836 799	1-Jun-20	30-Jun-20	CFO	
47	Revenue	Other important matters ISS.26-COMAF 16 - Service Charges: Revenue from sale of electricity (Conventional) incorrectly billed	New	Lack of effective monitoring to ensure correct rates are used	To pass journals credit note and debt noted	6-Jan-20	30-Jan-20	CFO	

APPENDICES

APPENDIX A - COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Surname	Full names	Full time/ Part time FT/PT	Committee Allocated	Ward and /or Party represented	No of council meetings held	no. of council meetings attended	No. of apologies for non- attendance	No of Absence without leave
Mphela	Mojabeng Amelia	PT	Finance. Council	ward	19	19	0	0
Phatlane	Alfred	FT	Corporate Services EXCO Council Meeting Ethics	ward	19	14	2	3
Mamakoko	Mokgohlwe Lettie	PT	Planning Council	ward	19	16	0	3
Moima	Lizzy Mahlatse	PT	Community Services Council	ward	19	16	1	2
Makweoane	Agnes Mapetle	PT	Infrastructure Council	ward	19	15	1	3
Ndlovu	Raymond Ndumiso	PT	Executive Council	ward	19	17	1	1
Phala	Magabolle Lucas	PT	MPAC: member Ethics Council	ward	19	16	1	2
Ratlou	Sefako Winter	PT	Community Services Council Rule and petition	ward	19	19	0	0
Ratau	Rose Mmapule	PT	Executive Support Council	ward	19	15	2	2
Madisa	Kgadi Francinah	PT	Planning Council	ward	19	11	5	3
Namane	Given Ranyaba	PT	Planning Council	ward	19	16	0	3
Phorothoe	Thabiso Andries	PT	Finance. Council Rules and petitions	ward	19	16	0	3
Oosthuizen	Willem Nicolaas Saaiman	PT	Council Executive Support	ward	19	15	2	2
Bogopa	Botha(M)	PT	Community Services Council	ward	19	11	8	0
Mahlangu	Julia (F)	PT	Ethics Council	ward	19	11	0	0
Zulu	Ben Madolombane (M)	PT	Infrastructure Council	ward	19	14	3	2
Ratau	Tsimisi Thabiso(M)	PT	Corporate Services Council Meeting	ward	19	12	2	5
Machipa	Toudi Aron (M)	FT	Head Finance. EXCO Council	ward	19	19	0	0

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Surname	Full names	Full time/ Part time FT/PT	Committee Allocated	Ward and /or Party represented	No of council meetings held	no. of council meetings attended	No. of apologies for non- attendance	No of Absence without leave
Masimula	Phahlana (M)	PT	Corporate Services Council	ward	19	16	1	2
Skhosana	Waziwa Jim (M)	PT	Finance. Council	ward	19	15	1	3
Makeke	George Monnana (M)	PT	Ethics MPAC Member Council	ward	19	13	2	4
Matsepe	Motlalekgomo Maria(F)	PT	Planning council	ward	19	16	1	2
Mahlangu	Nomsa Ndazi (F)	PT	Council Executive Support	ward	19	17	0	2
Mokganyetji	Thomas Mareme (M)	PT	Infrastructure Rules and Petitions Council	ward	19	16	0	3
Maphopha	Emily Maabele	PT	Community Services Council	ward	19	16	0	3
Motlale	Manthwaleng Girly	PT	Ethics Council	ward	19	18	0	1
Mokwane	Magdeline Kubane	PT	Infrastructure Council	ward	19	18	0	1
Maipushe	Sekina Manku	PT	Rules and Petitions Council	ward	19	14	0	5
Malatji	Meriam Nape	PT	Finance. Council Rule and petition	ward	19	18	0	1
Kgopa	Kgabo Silas	PT	Corporate Services Council	ward	19	18	1	0
Msiza	Mothibe Rhodes	PT	Corporate Services Council Rules and petition	ward	19	17	0	2
Mathebe	Julia Lata	FT	EXCO/Mayor Council	PR	19	15	0	4
Matjomane	Germinor Delly (F)	FT	Head Infrastructure Council	PR	19	18	0	1
Tladi	Magetle David	FT	Speaker	PR	19	18	0	1
Phahlamohlaka	Tebogo Mafereke	FT	Ethics Council	PR	19	17	0	2
Mehlape	Salminah Hlaole	PT	MPAC: member Council	PR	19	16	1	2
Mmutle	Thabo Nelson	PT	Head Planning Council EXCO	PR	19	7	2	10
Matsepe	Thapelo Stephina	PT	Finance. Council	PR	19	8	1	9

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Surname	Full names	Full time/ Part time FT/PT	Committee Allocated	Ward and /or Party represented	No of council meetings held	no. of council meetings attended	No. of apologies for non- attendance	No of Absence without leave
Makunyane	Hlako Justice	PT	MPAC- Chairperson Council	PR	19	18	1	0
Mashilo	Malope Samaria	PT	Head Community Services Council EXCO	PR	19	18	0	1
Phetla	Mannyana Grace	PT	Head Executive Support Council	PR	19	18	0	1
Makitla	Ramotlogeli Johannes	PT	Planning Council	PR	19	17	1	1
Mogotji	Fanie Motshele	PT	Executive Support Council	PR	19	15	1	2
Madondo	Vernatia- Claudia Philile	PT	Rules and Petitions Council	PR	19	15	4	0
Mohlala	Moses Themba	PT	MPAC member Council	PR	19	16	1	2
Alberts	Rots	PT	Infrastructure council	PR	19	16	0	3
Mathebe	Chipane Norman	PT	Community Services Council Planning	PR	19	16	1	2
Tshivhula	Murathi Pat	PT	Corporate Services Council Ethics	PR	19	14	2	3
Kotze	Johan Pieter	PT	Finance. Council	PR	19	16	1	2
Hlathi	Margaret Zodwa	PT	council	PR	19	13	1	5
Shai	Kweletsi Collen	PT	EXCO Council	PR	19	11	1	7
Lecheko	Virginia Morotse	PT	Planning Council	PR	19	12	0	7
Ngwenya	Zodwa	PT	Council	PR	19	15	1	3
Ntuli	Mamotale Brenda	PT	Council Infrastructure	PR	19	15	1	3
Mosotho	Mooimane Tatane	PT	Council Planning	PR	19	12	3	4
Ranala	Maselopi	PT	Council Executive Support	PR	19	11	1	7
Ntheke	Tshepo Mokgobo	PT	Council	PR	19	13	1	5
Mthombeni	Vensile Lea	PT	Corporate Services Council Ethics	PR	19	15	2	2
Maloba	Alpheus Matome	PT	Community Services Council EXCO Rules and Petitions	PR	19	15	1	3
Ramphisa	Motiba William	PT	Council	PR	19	12	0	7
Matunyane	Nthabiseng Topsion	PT	Finance. Council Finance	PR	19	7	0	12

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
Executive Support 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
Senior Manager: Executive Support	Mr. M. M. Kgware	Male
Senior Manager: Corporate Services	Mr. N.D. Matumane	Male
Senior Manager: Infrastructure	Ms N.R Makgata	Female
Chief Financial Officer	Vacant	-
Deputy Chief Financial Officer	Mr L.M Sebelemetja	Male
Senior Manager: Community Services	Ms. G. E. Kegopotsemang	Female
Senior Manager: Development Planning	Mr. N. W. Phala	Male
Manager: Property Management and Housing	Mr. R Palmer	Male
Manager: Mayor Support	vacant	-
Manager: Assets	Mr. C. Tjiane	Male
Manager: Budget	Ms K.U Sebelebele	Female
Manager: Council Support	Mrs. M Burger	Female
Manager: Supply Chain Management	Mr M Mthimunye	Male
Manager: Revenue	Vacant	-
Manager: Hlogotlou	Mr. A Madiba	Male
Manager: Roossenekal	Mr. M. J. Maboia	Male
Manager: Motetema	Mr. C. C. Masemola	Male
Manager: Human Resources	Mr. L. Mafiri	Male
Manager: Administration	Mr. G. M. 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	Ms. M. V. Matlala	Female
Manager: LED	Mr. M Sebei	Male
Manager: IDP	Mr. J Motha	Male
Manager: PMU	Mr. F Debeila	Male
Manager: PMS	Ms P Mdluli	Female
Manager: IGR	Mr. M. J. Mathebe	Male
Electrical engineer	Mr K.K. Mametsa	Male
Chief Risk Officer	Mr K. Mathebe	Male
Manager: Development and Town Planning	Mr B. 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	
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 Name (Number)	Name of Ward WCouncillor 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				
	Simphiwe Mahlangu				
	Jane Sibiloane				
	Martha Nxumalo				
	junior Thethe				
	Anges Mmotong				
	Simphiwe Mthombeni				
	Samual Phasha				
	Christa kotelo Mabodika				
	Kgati Maepa				
Ward No 02	Cllr Phatlane A	Yes	9	9	4
	Ward Committee				
	Mathabathe Mpho				
	Monage Tshepo Khama				
	Mahlangu Geeilbooi				
	Makua Samuel				
	Dunge Olgar				
	Bafedi Aibiot (Deceased)				
	Mankge Hermans				
	Moloi Abednigo				
	Phatlane Lucy				
	Boroko Kodisang Mathews				
Ward No 03	Cllr Mamakoko M.L	Yes	11	11	4
	Ward Committee				
	Mputsu David Mahlangu				
	Sonia Magashule				
	Marie Mokwala				
	Matron Mokwana				
	Stephina Modiba				
	Mary Tshego				
	Mmapula Kgaphola				
	Delige Mothibi				
	Lucy Kgaphola				
	Frans Makua				

WARD REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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	6	6	4
	Ward Committee				
	Dipuo Mashabela				
	Lebogang Dinba				
	Kanyane Mphahlele				
	Vacant (on CWP)				
	Fatima Thabethe				
	Selina Matlou				
	Lucas Mathimunyane				
	Kenneth Malapele				
	Anges Ramphisa				
	Israel Malapela				
Ward No 05	Cllr Makweoane	Yes	7	7	3
	Ward Committee				
	Violet Mashigo				
	Fannie Nkambule				
	Monicca Mkgatsela				
	Sharleen Mphake				
	Mankwe Mokgabudi				
	Petrus Matentshi				
	Mapaseka Mokgabudi				
	Leshate Mashabela				
	Nelson Mogano				
	Thili Lepota				
Ward No 06	Cllr Ndlovu R.N	Yes	9	9	4
	Ward Committee				
	Thethan Mahlangu				
	Ntombi Mahlaba				
	Nokuthula Reginah				
	Winile Ndlangamandla				
	Zakhele Hlathi				
	Sipho Mandlazi				
	Adelaide Limakwe				
	Elizabeth Mpshe(Resigned)				
	Delisa Joseph				
	Popi Mashego				
Ward No 07	Cllr:Phala Lucas	Yes	8	8	4
	Ward Committees:				
	Philimon Moshiga				
	Brenda Phasha				
	Nomsa Sibeko				
	Glass Makatelele				
	Jan Mtshweni				
	Busisiwe Magolego				
	Tebogo Mokgoadi				
	Ericca Makuwa				
	Benjamane masweu				
	Simon Thipe				

WARD REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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 08	CLlr Ratlou S.W	Yes	11	11	4
	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	11	11	4
	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	11	11	4
	Ward Committees:				
	Rita Rahlogo				
	Mathebe Rebecca				
	Katlego Sifoleshe Madire				
	Modupi Mohlamanyane				
	Ivy Madisa				
	Zodwa Ngele				
	Sandra Ramphisa				
	Mathebe Buti				
	.Malefahlo Mokgase				
	mohlamonyane Motsumi				
Ward No 11	CLlr Namane G.R	Yes	4	4	1
	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 REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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 12	CLlr Phorotlho	Yes	10	10	4
	Ward Committees				
	Mmadisele Mathebe				
	Moleme Podile				
	Mmalehu Mohlala				
	Mothaku Namane				
	Calvin Mathunyane				
	Elizabeth Monageng				
	Doctor Nakedi				
	Alfred Makitla				
	Betty Mathebe				
	Klass Mathebe				
Ward No 13	CLlr Oosthuizen W.N.S	Yes	5	5	1
	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	1	1	0
	Ward Committees:				
	Bareng Mphahlele(Resigned				
	Phakwane Mareng				
	Moses Boshieo				
	Chikane Kgorutle				
	Makeke Mantwa				
	Dipou Matlala				
	Stepen Maleka				
	Jaremia Phetla				
	Enock Ramoispa				
	Maggie Isa				
Ward No 15	CLlr: Mahlangu J	Yes	11	11	4
	Ward Committees:				
	Lucas Zwane				
	Rinah Mahlangu				
	Job Tshepo Mokwena				
	Sbongile Nkosi				
	Sibongile Masilela				
	Mpho Skosana(expelled)				
	Johannah Mashiya				
	Malehu Mokoana				
	Jan Masimula				
	Msanomlane Mahlangu				

WARD REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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	2	2	1
	Ward Committees:				
	Mapule Mokgolokgotho				
	Jabulane Mahlangu				
	Sarah Skosana				
	Fanie Maku				
	December Msitsa				
	Sinah Mahlangu				
	Maria Mthimunyane				
	Nick Mgidi				
	Khomotso Maphosa(not on IEC roll)				
	Kodin Skhosana				
Ward No 17	Cllr: Ratau T.T	Yes	7	7	0
	Ward Committees:				
	Irene Mokwana				
	Moetana Mohlala				
	Rankepile Mabelane				
	Kagiso Mabelane				
	Gabriel Magashula				
	Moeti Mkhondo				
	Motlalepule Madihlaba				
	Freddy Nkadimeng(decease)				
	Andries Hlabishe				
	Annah Masemola				
Ward No 18	Cllr: Machipa T.A	Yes	5	5	2
	Ward Committees:				
	Martha Mohlahlo				
	Jamis Chego				
	Maria Tshehla				
	Mojalefa Rankwe				
	Tumishi Mohlahlo				
	Annah Mnguni				
	Elsa Fenyane				
	Sydney Phetla				
	Shemeng Mtshweni				
	Maria Makuwa				
Ward No 19	Cllr: Masimula P	Yes	6	6	4
	Ward Committees:				
	Sophi Masemola				
	Amos Gabril				
	Sinkie Skosana				
	Ranapo Chigo				
	Rose Mtshweni				
	Sophie Masimula				
	Shabangu Dlalabaphi				
	Getrude Mashiane				
	Mahlangu Khonzepi				
	Nkosinathi Machuka				

WARD REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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 20	Cllr Skhosana W.J	Yes	9	9	4
	Ward Committees:				
	monica Madihlaba				
	Lina Makaleng				
	Felicia Mokoana				
	Zodwa Mokwena				
	Nteseng Madihlaba				
	Patricia Sekgala				
	Shima Monaedi				
	thabo Skosana				
	Debora Maredi				
	Thapedi letageng				
Ward No 21	Cllr: Makeke G.M	Yes	6	6	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				
	Stephina Mokwal				
	Thabo Radingwana				
	Leah Tshoma				
	Jan Mashilanwako				
	Patrick Moramaga				
	lindiwe Maleka				
Ward No 23	Cllr:Mahlangu Nomsa	No	11	11	4
	Ward Committees:				
	Regina Ntuli				
	Lydia Lerobane				
	Jimmy Masemola				
	Thokozile Ntuli				
	Milzon Madihlaba				
	Busisiwe Motha				
	Simon Sithole				
	Rose Mokoana				
	Sipho Mahlangu				
	Sylvia Chego				

WARD REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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 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 No 25	Cllr: Maphoha E.M	Yes	6	6	1
	Ward Committees:				
	Jane Lekala				
	Makgadi Malatji				
	Sarah Makuwa				
	Julia Mohlala				
	Lerato Skosane				
	Jack Motsana				
	Reneilwe Rampedi				
	khomotso Ramphisa				
	Francinah Mampuru				
	Thobole Matsepe				
Ward No 26	Cllr:Motlafe M. G	Yes	11	11	4
	Ward Committees:				
	Sepedi Mohlala				
	Mmantwe Tagane				
	Matlakala Knowledge				
	Ditau Magampa				
	Deborah Mashabela				
	Dazie Msiza				
	Amos Chabedi				
	Mapule Mmuledi				
	Karabo Matshingwane				
	Mmabatsheleng Matsepe				
	Matladi Tshepho				
Ward No 27	Cllr: Mokwane M.K	Yes	6	6	1
	Ward Committees:				
	Job Matladi				
	Lebogang Choma				
	Tebatso Sihlangu				
	Mogudi Meba				
	Dudu Mokadi				
	Frans Tlaka				
	Motebu Arimbi				
	Thabo Makua				
	Caroline Mantsolo				
	Thandi makuwa				

WARD REPORTING

Ward Name (Number)	Name of Ward WCouncillor 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	9	9	4
	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	4
	Ward Committees:				
	Thuso Makuwa				
	Reginah Makuwa				
	Lindiwe Mahlangu				
	Grace Malatji				
	Diale Motla				
	Caroline Matjomane				
	Victor Diago				
	Thabang Fenyane				
	Gautana Matsumane				
	Lazarus Rakgalakane				
Ward No 30	Cllr: Kgopa K.S	Yes	6	6	3
	Ward Committees:				
	Ammina Magakwe				
	Sebutjwane Maduna				
	Seraki Motstsa				
	Jim Molapo				
	Bongi Maabane				
	Thabiso Matenji				
	Mahlonoko Riba				
	Patricia Mokwena				
	Sinky Kodi				
	Lina Masango				
Ward 31	Cllr : Msiza M.R				
	Ward Committee	Yes	7	7	4
	Gladys Maake				
	Kgaogelo Dikotope				
	Alfred Manasoe				
	Moses simpho				
	Peter Tsokela				
	Lombard Mamogobo				
	Lebogang Mpunga(Resigned)				
	Ramosohlo Kgongane				
	Enny Matsepe				
	Prince Thobejane				

APPENDIX F - WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2018/2019 (Full List in Appendix L)				
R'000				
Ward No	Project Name & Detail	Start Date	End Date	Total Value
3 & 14	Naganeng Construction of 5.2km Bus Road and Storm Water Control	01 Aug 2017	09 Oct 2018	R35,474,177.94

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
4TH ORDINARY AUDIT COMMITTEE MEETING – 23 JULY 2018		

MANAGEMENT REPORTS

23 July 2018	Update on special investigation unit (SIU)	<ul style="list-style-type: none"> The audit committee received the report from management with regard to the investigations being conducted by the special investigation unit (SIU). The audit committee noted the presentation made by the CFO that: <ul style="list-style-type: none"> » The SIU commenced with an investigation at the municipality. » The investigation will cover period from 01 July 2011 up to 14 December 2017. » The investigation costs to be covered by Council amount to R 8 million and will be appropriated during the 2018/2019 budget adjustment process. » The municipality will receive the final report by the SIU May 2019
	Update on VBS	<ul style="list-style-type: none"> The audit committee received a report from management and noted presentation made by management that: <ul style="list-style-type: none"> » The VBS bank is placed under curatorship. » The municipality invested in VBS bank capital amount amounting to R 190 million and received the interest amount of R 2.9 million. » The municipality has managed to recover the whole amount invested at VBS bank and the final withdrawal was in March 2018. » During the reconciliation by management it was noted that interest variance amounting to R 48 246.51 is still outstanding. The report was noted by the Audit Committee with recommendation that in future when the municipality does investments, it must involve the risk office to do high level risk assessment on the investment before taking a decision.
	4th quarter litigation report	The audit committee took note of the litigation report and advised management to ensure completeness of all labour cases on the report.
	Progress on AG action plan for the year 2016/2017 financial year	The audit committee took note of the report with advice to management that the outstanding issues as indicated on the report be addressed before AGSA commence with the audit for 2018/2019 financial year.

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS																																																		
FINANCE DEPARTMENT REPORTS																																																				
23 July 2018	Progress on AFS preparation plan 2018/2019	<p>The report was noted by the audit committee with the following recommendations:</p> <ul style="list-style-type: none"> That internal audit reviews the draft 2017/2016 AFS The AFS preparation plan should have a status column indicating achievement or none achievement of the planned activities. 																																																		
	Progress on mSCOA	The report on mSCOA was noted by the audit committee with questions asked and answered by management on the challenges, integration of the system with traffic fines system and asset management system, and the functioning of the project implementation and steering committee.																																																		
	Asset register report (April to June 2018)	The asset management report for the 4th quarter was noted by the audit committee.																																																		
	Unauthorised, irregular, fruitless and wasteful expenditure 2018/2019	The audit committee noted the report with fruitless and wasteful expenditure amounting to R 421 359,78																																																		
	4th quarter report on debt collection 2018/2019	<p>The audit committee noted the report and enquired on the plan with regards to tribal accounts and possibility of write off of the account and the plan to recover debt from the company that is liquidated.</p> <p>1. "Tribal accounts"</p> <p>The areas belonging to Magoshi with outstanding balance of R 3,447,174.48 on rates.</p> <p>2. Mapochs mine Pty Ltd</p> <p>The company was liquidated and it had outstanding balance of R 743,306.72."</p>																																																		
	Quarterly supply chain/ procurement report (April to June 2018)	<ul style="list-style-type: none"> The audit committee noted the procurement report as management reported that the deviations have been reduced by appointing travel agencies. Deviations reported as follows: <p>Deviations month of April 2018:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Date</th> <th>Service Provider</th> <th>Amount R</th> <th>Description of Goods and Services</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>12/04/2018</td> <td>Wits University</td> <td>R5 500</td> <td>Training</td> </tr> <tr> <td>2</td> <td>19/04/2018</td> <td>SAGE</td> <td>R 20 740</td> <td>Training</td> </tr> <tr> <td>Total</td> <td>R 26 240</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Deviations month of May 2018:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Date</th> <th>Service Provider</th> <th>Amount R</th> <th>Description of Goods and Services</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>15/05/2018</td> <td>INTER MUNICIPAL SPORTS OF SOUTH AFRICA</td> <td>R6 000.00</td> <td>Games for municipal officials</td> </tr> <tr> <td>2</td> <td>15/05/2018</td> <td>INTER MUNICIPAL SPORTS OF SOUTH AFRICA</td> <td>R11 000.00</td> <td>Games for municipal officials</td> </tr> <tr> <td>3</td> <td>25/05/2018</td> <td>RAND DATA</td> <td>R10 890.50</td> <td>Template design and supply of Warrant of arrest document for the Municipality</td> </tr> <tr> <td>4</td> <td>30/05/2018</td> <td>ENTERPRISE AT University Of Pretoria</td> <td>R4 140.00</td> <td>Attending advanced computer training and report writing</td> </tr> <tr> <td>Total</td> <td>R 32 030.50</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	No	Date	Service Provider	Amount R	Description of Goods and Services	1	12/04/2018	Wits University	R5 500	Training	2	19/04/2018	SAGE	R 20 740	Training	Total	R 26 240				No	Date	Service Provider	Amount R	Description of Goods and Services	1	15/05/2018	INTER MUNICIPAL SPORTS OF SOUTH AFRICA	R6 000.00	Games for municipal officials	2	15/05/2018	INTER MUNICIPAL SPORTS OF SOUTH AFRICA	R11 000.00	Games for municipal officials	3	25/05/2018	RAND DATA	R10 890.50	Template design and supply of Warrant of arrest document for the Municipality	4	30/05/2018	ENTERPRISE AT University Of Pretoria	R4 140.00	Attending advanced computer training and report writing	Total	R 32 030.50			
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RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
	Overtime report (April to June 2018)	<ul style="list-style-type: none"> The audit committee reviewed the overtime report and expressed concern that overtime is claimed excessively and claims also emanate on the positions that do not qualify to claim overtime such as finance staff, law enforcement and licensing. The progress report on overtime internal control implemented by corporate services department was noted as reported by management and the audit committee requested to review status of implementation of internal control at the next meetings.
	S & T Report	The S and T report was noted by the audit committee.

INFRASTRUCTURE SERVICES DEPARTMENT REPORT

23 July 2018	Infrastructure report (April to June 2018)	<ul style="list-style-type: none"> The audit committee took note of the infrastructure report with recommendation for management to record the two projects that they decided to discontinue with and not adjusted (i.e. Motetema and Ramogwerane) as not achieved in the annual performance report. The audit committee also recommended that a column should be added on the report of actual completion date of the project.
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CORPORATE SERVICES DEPARTMENT

23 July 2018	ICT Steering committee report (April to June 2018)	<ul style="list-style-type: none"> The audit committee recommended that on the quarterly reports to the committee, the ICT department should include: <ul style="list-style-type: none"> » AG Findings report » Report on the projects, budget, implementation and monitoring » Progress report on the ICT framework implementation
	4th quarter human resource report	<ul style="list-style-type: none"> The audit committee took note of the reports.
	And Report on record management plan and activities	<ul style="list-style-type: none"> The audit committee requested that senior manager corporate services send the draft record management policy to the audit committee members for giving inputs before council approval.

INTERNAL AUDIT REPORTS

23 July 2018	Progress report on internal audit annual plan 2018/2019	<ul style="list-style-type: none"> Audit committee noted the report that the progress on internal audit plan is 90% completed with only two audits at reporting stage for ICT and SCM.
	Internal audit reports	<ul style="list-style-type: none"> The audit committee noted the following reports by internal audit for audits conducted during the fourth quarter of 2018/2019 financial year: <ul style="list-style-type: none"> » AG action plan progress report » Internal audit follow-up report » Budget management report » Assets management report » Expenditure management report » Revenue management report » Executive support report » Draft SCM report » Ad-hoc- third party reliance review report

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
	Draft three-year strategic internal audit plan and 2018/2019 annual operational plan	<ul style="list-style-type: none"> The audit committee reviewed and approved the three-year strategic internal audit plan and 2018/2019 annual operational plan. With concerns raised about resources in the internal audit unit and that management should ensure efficient recruitment process.
	Internal Audit Charter, Audit Committee charter and Internal Audit Methodology	<ul style="list-style-type: none"> Audit committee: <ul style="list-style-type: none"> » Approved the internal audit charter for 2018/2019; » Recommended the audit committee charter 2018/2019 for council approval; » Approved the internal audit methodology for 2018/2019.

RISK MANAGEMENT REPORT

23 July 2018	Risk management committee report 2018/2019	<ul style="list-style-type: none"> The audit committee took note of the report with recommendation that: <ul style="list-style-type: none"> » The audit committee be provided with statistics on the quarterly reports and the operational and strategic risk registers be considered at the risk committee meeting. » The risk management plan should include all activities such as business continuity, investment register and OHS risk assessment. » The municipal manager should approve the risk management plan and recommend it to risk committee » The risk policies are approved by Council.
	Draft councillors protection policy	The audit committee took note of the draft councillors' protection policy and expressed concern that the policy is not informed by any law or regulation.

COMPLIANCE OFFICE REPORTS

23 July 2018	Compliance report 2018/2019	The audit committee took note of the report and enquired on the possibility of capacitating the compliance office with an intern for assistance with the compliance work.
	Draft 2018/2019 compliance monitoring plan	The audit committee took note of the plan and recommended to send inputs on the policy through email.

1ST and 2ND PECIAL AUDIT COMMITTEE MEETING - 17 AND 29 AUGUST 2018

17 August 2018	Annual performance report 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the annual performance report for 2018/2019 and made recommendations as follows: <ul style="list-style-type: none"> » PMS with the assistance of internal audit should ensure that the budget spending target is in line with information reflected in the draft and final annual financial statements. » General KPI's not achievable should not be removed from the annual performance report. » Ensure that all portfolio of evidence files that support the targets achieved are in order and if not then the target must be recorded as not achieved.
And 29 August 2018	Internal Audit report on the 4th quarter performance report	<ul style="list-style-type: none"> The audit committee reviewed and took note of the internal audit report on the 4th quarter performance. Audit committee recommended that management should ensure that all outstanding issues are resolved and finalised to ensure better audit opinion.

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
	Internal Audit report on Draft 2018/2019 AFS Review	<ul style="list-style-type: none"> Audit committee took note of Internal Audit report on Draft 2018/2019 AFS Review. The audit committee recommended that assurance should be given on how prior year issues were resolved. That all issues raised by internal audit be resolved by management.
	Draft 2018/2019 Annual financial statements	<ul style="list-style-type: none"> The audit committee reviewed the draft 2018/2019 Annual financial statements and recommended that management should thoroughly review the draft prior submission to AGSA and ensure that there is supporting documentation to support all disclosed figures.

3RD SPECIAL AUDIT COMMITTEE MEETING- 06 SEPTEMBER 2018 WITH AGSA

06 September 2018	Audit engagement letter	The audit committee reviewed and took note of the AGSA audit engagement letter.
	Audit strategy	The audit committee reviewed and took note of the AGSA audit strategy.

1ST ORDINARY AUDIT COMMITTEE MEETING- 26 OCTOBER 2018

MANAGEMENT REPORTS

26 October 2018	1st Quarter performance report 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the 1st quarter performance report for 2018/2019 and made recommendations as follows: <ul style="list-style-type: none"> The performance report summary per quarter should include statistics of the previous year for comparison with the current year's progress. Challenges must be stated for all infrastructure projects where the targets are not achieved. The audit committee questioned whether the target under finance is not under targeted as 2.5% compared to the reported progress of 29% in the 1st quarter. The audit committee expressed concern with regards to low performance for the development planning and LED department.
	1st quarter litigation report 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the litigation report and advised that the report be improved by including a column to update progress movement for cases.

FINANCE DEPARTMENT REPORTS

	AGSA audit progress report	<ul style="list-style-type: none"> The audit committee noted report given verbally by the CFO on the progress of the audit in progress by AGSA. At the time of the meeting there was 35 RFI's and 34 were attended to with one in progress to be addressed for donation of assets.
	Asset register report	<ul style="list-style-type: none"> Audit committee reviewed and noted the asset register report for the 1st quarter of 2018/2019 as reported by management that: <ul style="list-style-type: none"> There are no challenges at the moment and the asset verification are done and register was submitted to AGSA FOR 2018/2019 financial year. CFO advised that they are receiving the full support from the external consultant and they have one official from the consultant assisting to respond to AGSA queries.
	Unauthorised/irregular and fruitless and wasteful expenditure (UIF)-(July to September 2018)	<ul style="list-style-type: none"> The audit committee reviewed and noted the report of Unauthorised/irregular and fruitless and wasteful expenditure (UIF)-(July to September 2018) amounting to R 33 427.21 The audit committee advised that the CFO should consider consolidating all fruitless expenditure from Eskom and have a meeting with the Eskom management to recover interests unduly charged by Eskom.

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
	1st quarter report on debt collection 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the and noted the report by management on revenue collection that: <ul style="list-style-type: none"> The municipality no longer uses an external debt collector and that collection is done internally. The plan is to install prepaid meters in Groblersdal as a process to assist with revenue collection. Challenges are experienced by the municipality in areas where the municipality is not supplying electricity.
	1st quarter section 52 report 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed and took note of the 1st quarter section 52 report for 2018/2019.
	1st quarter supply chain/procurement report(July to September 2018)	<ul style="list-style-type: none"> The audit committee reviewed and noted the 1st quarter supply chain/ procurement report (July to September 2018). Only the tenders awarded by the municipality were noted. The deviation report was not attached for review and the audit committee requested that the deviation report be made available to the members for review.
	Overtime report (July 2018 to September 2018)	<ul style="list-style-type: none"> The audit committee reviewed the overtime report and requested that the overtime report should have a summary containing claimed overtime between quarters.

COMPLIANCE MANAGEMENT REPORT

	1st quarter compliance report 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed and noted the compliance management report and recommended that compliance report should show: <ul style="list-style-type: none"> total number of quotations and tenders received; How many complied and those that did not comply how many were returned back to management; Escalate matters where management has disregarded the non-compliance that was identified.
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INFRASTRUCTURE SERVICE DEPARTMENT

	Infrastructure report (including initial plan, budget, progress report on spending, actual work done, variance and reasons) 2018/2019 (July to September 2018)	<ul style="list-style-type: none"> The audit committee reviewed and took note of the infrastructure report for the 1st quarter of 2018/2019. The audit committee advised management: <ul style="list-style-type: none"> Consider inserting actual contractor costs on the report The project management targets must meet the smart criteria, which means the projects must be time bound hence the request for start and planned completion date.
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CORPORATE SERVICES DEPARTMENT REPORT

	ICT Committee report 2018/2019 (July to Sept 2018)	<ul style="list-style-type: none"> The audit committee recommended that the ICT quarterly report should entail the following details for review: <ul style="list-style-type: none"> ICT projects that are running and their progress and completion status a summary report on how ICT is managing ICT risks Progress on implementation of AG audit finding and internal audit findings Performance of external ICT consultants and service providers.
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RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
	1st quarter human resource report (must include section 56 manager vacancies and contract performance)	<ul style="list-style-type: none"> The audit committee reviewed the 1st quarter human resource report and noted the report from management: <ul style="list-style-type: none"> » The delay regarding the position is due to the limitation of office space and that they have received a red flag from the safety and occupational forum to create a conducive working environment. » That they will prioritise and fill the positions which have 60% outside duties and 40% internally e.g. infrastructure positions. The plan with other position is that the finance division will be revamped to be an open plan office in order to create a bigger space and accommodate new employees. » Municipal manager accepted advice by audit committee of looking into considering all avenues including the properties owned by the Municipalities that are vacant.
	Report on records management activities 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed and noted the report on records management activities that there is a skill shortage, experience and filing space challenge within records management.

EXECUTIVE SUPPORT DEPARTMENT REPORT

	1st quarter council resolution implementation register 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the 1st quarter council resolution implementation register and made recommendation that a column for marking resolution as implemented or not implemented be considered to be included on the report, this will assist in clearly identifying the number of resolutions implemented and those that are still outstanding.
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RISK MANAGEMENT REPORT

	Quarterly risk management report 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the quarterly risk management report for the 1st quarter of financial year 2018/2019 and applauded the risk unit for implementing the project risk report. The audit committee noted that for the 1st quarter 61% risk action plans as per risk register have been implemented.
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INTERNAL AUDIT REPORT

	Progress report on the internal audit annual plan 2018/2019	<ul style="list-style-type: none"> The audit committee reviewed the progress report on the internal audit annual plan for the 1st quarter of 2018/2019 and noted that out of 21 annual planned audits, 3 have been completed, 2 are in progress and 16 not started yet. The audit committee advised that the plan is supposed to be at 25% at the end of the first quarter.
	Internal audit reports	<ul style="list-style-type: none"> The audit committee noted the reports of internal audit presented at the meeting of: <ul style="list-style-type: none"> » 1st quarter performance review » Community services department review The audit committee recommended that the community services finding where management is disagreeing be revisited by internal audit with management.

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
2ND ORDINARY AUDIT COMMITTEE MEETING - 07 FEBRUARY 2019		

MANAGEMENT REPORTS

07 February 2019	Mid-year performance report 2018/2019	<p>Audit Committee reviewed the mid-year performance report 2018/2019 and expressed concern on the declined performance for quarter 1 and 2. The Audit Committee recommended that:</p> <ul style="list-style-type: none"> Management should put reasonable measures in place to improve the performance. The Audit Committee noted the report from management that the municipality experienced overspending on contracted services that had a major effect on the cash flow; the Audit Committee recommended that Internal Audit should conduct an audit on outsourced services.
	Draft Annual report 2018/2019	The Audit Committee reviewed and took note of the Draft Annual Report 2018/2019.
	2nd Quarter litigation report 2018/2019	The Audit Committee took note of the litigation report as reported by management on cases that have been long overdue.
	AGSA Action Plan for the 2018/2019 audit report	The AGSA Action Plan for the 2018/2019 audit report was reviewed and the Audit Committee recommended that a summary to reflect progress statistics should be added to the Action Plan. The Audit Committee further urged management to ensure that reasonable measures are taken to ensure that the Action Plan is implemented to avoid regression in the audit outcome for the 2018/2019 financial year.

FINANCE DEPARTMENT REPORTS

07 February 2019	Asset Register Report	The Audit Committee reviewed the 2nd quarter assets management report and noted the challenges as reported by management of shortage of staff, working tools and storage of obsolete assets.
	Unauthorised/Irregular and fruitless and wasteful expenditure (UIF) 2018/2019	<p>The Audit Committee reviewed the 2nd quarter Unauthorised/Irregular and Fruitless and wasteful expenditure and noted that the municipality is experiencing challenges with financial constrain and therefore not able to pay certain creditors on time as reported by Management.</p> <p>The Audit Committee was concerned that the Municipality paid a total of R 428 023.65 penalty to SARS as a result of not paying the tax on time. The Audit Committee advised Management to consider prioritising payments to SARS as the penalty charges are extremely high.</p> <p>The Audit Committee recommended that management should develop a financial recovery plan.</p>
	2nd Quarter report on revenue management 2018/2019	<p>The Audit Committee reviewed the 2nd quarter report on revenue management and noted a significant improvement in collections during the months of October and November 2018.</p> <p>The Audit Committee advised management that the report should show the collection in ageing.</p>
	2nd Quarter section 52 report (Oct to December 2018)	The Audit Committee reviewed the 2nd quarter section 52 report and noted that the employee cost and other expenditure total for the year is more than what the municipality budgeted for due to payment of leave days as reported by Management.
	2nd quarter supply chain/procurement report 2018/2019	The Audit Committee took note of the report provided by management on 2nd quarter deviations and orders.
	Overtime report (Oct-Dec 2019)	The Audit Committee took note of the report and appreciated the improvement reflected on the overtime report for the 2nd quarter.

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
COMPLIANCE REPORTS		
07 February 2019	2nd quarter compliance report 2018/2019	The Audit Committee reviewed and took note of the compliance report. The Audit Committee advised the Compliance Officer to start checking compliance with other legislations applicable to the Municipality rather than focusing on supply chain only.
INFRASTRUCTURE SERVICES DEPARTMENT REPORT		
07 February 2019	Infrastructure report (Including initial plan, budget, progress report on spending actual work done, variances and reasons) 2018/2019	The Audit Committee took note of the Infrastructure report, that: The Municipal Infrastructure Grant projects are performing well. Internally funded projects are not doing well in terms of expenditure and the department is waiting for the budget adjustment to proceed with the procurement processes.
CORPORATE SERVICES DEPARTMENT		
07 February 2019	2nd quarter ICT Steering Committee report	The Audit Committee took note of the ICT report that: <ul style="list-style-type: none"> • There was no ICT Steering Committee meeting held during the 2nd quarter; • The ICT AGSA Action Plan did not have any findings as the findings relate to finance; and ICT projects currently implemented.
	2nd quarter human resources report	The Audit Committee reviewed the 2nd quarter human resource report and noted the vacant post of Chief Financial Officer and management reported that the post has been advertised with the recruitment process started with shortlisting process.
	Report on records management plan and activities	The Audit Committee reviewed the report on records management plan and activities and noted that: <ul style="list-style-type: none"> • Records Management Policy, Registry Procedure Manual and General File Plan were confirmed and approved by the Office of Provincial Archivist. Now these documents will be presented to Council. The proposed implementation date will be March 2019. • The municipality is experiencing a challenge with filing space to ensure proper record management.
EXECUTIVE SUPPORT DEPARTMENT		
07 February 2019	2nd quarter council resolutions implementation register/report 2018/2019	The Audit Committee reviewed the 2nd quarter council resolutions implementation register/report 2018/2019 and advised that the resolution register should include a status column and summary report.
RISK MANAGEMENT REPORT		
07 February 2019	Quarterly risk management committee report 2018/2019	The Audit Committee reviewed the 2nd quarter risk management committee report 2018/2019 and noted that the risk management unit has procured the risk management software called Barnowl.

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

MEETING DATE	ITEM UNDER DISCUSSION	RECOMMENDATIONS
INTERNAL AUDIT REPORT		
07 February 2019	Progress report on Internal Audit annual plan 2018/2019 (Oct-December 2018)	The Audit Committee noted the report on the 2nd quarter progress report on Internal Audit annual plan 2018/2019 that due to insufficient capacity of staff in the internal audit unit and additional requests by Audit Committee to perform an audit on outsourced services, the plan may need to be adjusted.
	Internal Audit reports	The Audit Committee took note of the work done by internal audit during the 2nd quarter, the reports that were noted are for the following departments: <ul style="list-style-type: none"> • Executive support • Development planning • Infrastructure department • Performance management systems review • Follow up report on internal audit findings- at 42% addressed with most of the findings not due for action yet.
	Quality Assurance state of readiness review report	The Audit Committee took note of the Final Quality Assurance state of readiness review report. National Treasury based on the municipality requesting through Provincial Treasury performed the review and issued the report that the Internal Audit Activity partially conforms.
5TH PECIAL AUDIT COMMITTEE MEETING - 20 FEBRUARY 2019		
MANAGEMENT		
20 February 2019	Draft Adjusted SDBIP 2018/2019	The Audit Committee reviewed the Draft Adjusted SDBIP 2018/2019, and made the following recommendations: <ul style="list-style-type: none"> • Director Corporate Services to present draft criteria for approving study financial assistance for inputs by the audit committee members in the next audit committee meeting. • PMS to assist with monitoring of the implementation of the suggestion of the Audit Committee based on the concern that some KPI's are not measuring the right deliverables that will add value to the municipality, for example KPI's that require reports, such as Occupational Health and Safety, Customer Service, Legal and SCM for the 2019/2020 financial year SDBIP. • CFO must submit an investment register in all Audit Committee meetings showing current investments amounts and details of banks where the investment is held.
FINANCE DEPARTMENT		
20 February 2019	Draft adjusted budget 2018/2019	The Audit Committee reviewed the draft adjusted budget 2018/2019 and took note of the report after receiving clarity on the questions asked by the Audit Committee on the following: <ul style="list-style-type: none"> • Decrease and underperformance of property rates • Banks that the municipality is currently investing with and whether the investment policy is being implemented. • Interest charges on outstanding debtors. • Depreciation on municipal infrastructure • Mechanisms used for asset disposal • How saving will be realised by cutting off electricity in Roosenekaal • Why repairs and maintenance are not done and yet they have been budgeted for. • Whether all departments were consulted when adjusting the budget.
INTERNAL AUDIT REPORT		
20 February 2019	Adjusted Internal Audit Plan 2018/2019	The Audit Committee reviewed and approved the adjusted Internal Audit Plan 2018/2019 at the meeting as presented by management.

APPENDIX H - LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long-Term Contracts (20 Largest Contracts Entered into 2018/2019)						
Number	Description of services rendered by service provider	Name of service provider (entity of municipal department)	Contract value	PERIOD		End User Dept
				Start date of contract	Expiry date of contract	
1.	Kgaphamadi construction of bus route, bridge and storm water control	Sihle Civil and Project Development	R38,559,782.92	30-July-2018	30-June-2020	Infrastructure
2.	Construction of Laersdrift bus road	Mothakge Phadima Construction	R14,949,833.25	27-July-2018	30-June-2019	Infrastructure
3.	Mpheleng construction of bus route and storm water control	Maditsi Jan Construction and Prjects	R8,887,024.00	30-July-2018	30-June-2019	Infrastructure
4.	Kgoshi Mathebe, Matsepe and Makgopheng construction of ring road and storm water control	Moleleki A Tlala Transport and Projects	R7,959,030.97	10-Oct-2018	30-June-2019	Infrastructure
5.	Groblersdal Roads and Streets	Kgwadi Ya Madiba	R4,420,005.45	24-May-2019	30-June-2019	Infrastructure
6.	Development of Fleet Centre	Shatadi Developpers	R4,675,939.46	8-Oct-2018	30 June 2020	Infrastructure
7.	Supply and deliver of cold mix asphalt and road marking paint for period of 36 months	Perpeta Investment Holdings	R 16 481,60	01-Feb-18	30-Jan-21	Infrastructure
8.	Recapitalisation of fleet and management solution	Fleet Horizon Solutions	R 66,986,334.87	06-Jul-18	05-Jul-21	Infrastructure
9.	Appointing service provider for assessment and development of energy efficient public lighting master plan for all wards within municipality area	AES Consulting	R 668 040,00	09-May-18	28-June-2019	Infrastructure
10.	Energy Efficiency and Demand Site Management	Xsemble	R5,000,000.00	22-Jan-2019	22-Aug-2021	Infrastructure
11.	Electrification of Masakaneng	KF Phetla Projects	R3,344,000.00	25-July-2018	30-June-2019	Infrastructure
12.	Electrification of Makaepa	Lefhumo Lwa Barema Trading	R3,300,000.00	25-July-2018	30-June-2019	Infrastructure
13.	Electrification of Tambo	Lefhumo Lwa Barema Trading	R3,344,000.00	25-July-2018	30-June-2019	Infrastructure

APPENDIX I - DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2018 - 30 June 2019		
Position	Name	Description of Financial Interest* (Nil/or details)
(Mayor)	Cllr: Mathebe L.J	Nil
Speaker	Cllr: Tladi M.D	Nil
EXCO members	Cllr: Matjomane G.D	Nil
	Cllr: Phatlane A	Nil
	Cllr: Mmutle T.N	MTN
	Cllr: Mashilo M.S	Nil
	Cllr: Phetla M.G	Nil
	Cllr: Maloba A.M	Nil
	Cllr: Shai K.C	50% Shareholder of Shaizo
	Cllr: Kotze J.P	Nil
		Nil
Councillors	51 councillors	
Municipal Manager	Maredi R.M	Nil
Chief Financial Officer		
Other S57 Officials		
Director Community Services	Kegopotsemang	Nil
Director Infrastructure	Makgata R	Nil
Director Corporate services	Matumane M.D	96 Public Shares- Sasol Inzalo
Director Development Planning	Phala N.W	Phuthumanathi Share Welkom Yizani Shares
Director Executive support	Kgwale M.M	500 Ordinary Share Sasol Inzalo

APPENDIX J - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						
R`000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Neighbourhood development				%		%
Partnership grant						
INEP	R9,988,000.00	0.00	R9,988,000.00			
MIG	R53,832,000.00	R8,000.00	R61,832,000.00			
FMG	R1 770 000	0.00	R1 770 000			
EPWP	R1 002 000	0.00	R1 002 000			
Total						

APPENDIX K - REVENUE COLLECTION PERFORMANCE

Description	2016/17	Budget Year 2018/2019							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
Revenue By Source									
Property rates	25,815	26,472	34,805	2,522	33,569	34,805	(1,236)	-4%	34,805
Service charges - electricity revenue		81,206	81,206	5,814	72,481	81,206	(8,726)	-11%	81,206
Service charges - water revenue	70,745	-	-	-	-	-	-		-
Service charges - sanitation revenue		-	-	-	-	-	-		-
Service charges - refuse revenue		8,616	11,616	671	9,390	11,616	(2,225)	-19%	11,616
Service charges - other	6,506	-	-	-	-	-	-		-
Rental of facilities and equipment		1,935	1,000	27	621	1,000	(379)	-38%	1,000
Interest earned - external investments	1,319	3,701	2,500	25	2,106	2,500	(394)	-16%	2,500
Interest earned - outstanding debtors	2,889	6,260	14,260	667	9,693	14,260	(4,567)	-32%	14,260
Dividends received	6,469	-	-	-	-	-	-		-
Fines, penalties and forfeits		30,000	55,016	323	7,666	55,016	(47,350)	-86%	55,016
Licences and permits	50,885	5,171	4,500	409	4,866	4,500	366	8%	4,500
Agency services	5,255	-	-	-	-	-	-		-
Transfers and subsidies		226,163	226,163	175	211,598	226,163	(14,565)	-6%	226,163
Other revenue	213,105	2,499	13,678	66	9,408	13,678	(4,269)	-31%	13,678
Gains on disposal of PPE	8,098	-	-	-	2,400	-	2,400	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)	391,085	392,023	444,744	10,697	363,799	444,744	(80,945)	-18%	444,744
Expenditure By Type									
Employee related costs	117,781	123,460	126,137	868	121,660	126,137	(4,477)	-4%	126,137
Remuneration of councillors	20,298	22,113	23,430	1,875	22,433	23,430	(997)	-4%	23,430
Debt impairment	21,128	26,372	26,372	-	-	26,372	(26,372)	-100%	26,372
Depreciation & asset impairment	47,998	51,200	51,200	-	-	51,200	(51,200)	-100%	51,200
Finance charges	1,426	3,124	1,124	-	281	1,124	(843)	-75%	1,124
Bulk purchases	65,729	69,165	70,165	(4,289)	57,682	70,165	(12,483)	-18%	70,165
Other materials	12,873	13,497	11,821	927	8,797	11,821	(3,024)	-26%	11,821
Contracted services	43,080	25,350	65,237	1,665	62,694	65,237	(2,542)	-4%	65,237
Transfers and subsidies	708	3,724	2,984	111	6,531	2,984	3,547	119%	2,984
Other expenditure	161,695	48,384	50,923	3,996	45,179	50,923	(5,744)	-11%	50,923
Loss on disposal of PPE	3,360	-	-	-	-	-	-		-
Total Expenditure	496,076	386,388	429,392	5,153	325,257	429,392	(104,135)	-24%	429,392

REVENUE COLLECTION PERFORMANCE

Description	2016/17	Budget Year 2018/2019							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
Surplus/(Deficit)	(104,990)	5,635	15,352	5,544	38,541	15,352	23,189	0	15,352
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	68,930	70,860	98,349	5,283	78,891	98,349	(19,458)	(0)	98,349
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(36,060)	76,495	113,701	10,827	117,432	113,701			113,701
Taxation		-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	(36,060)	76,495	113,701	10,827	117,432	113,701			113,701
Attributable to minorities		-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	(36,060)	76,495	113,701	10,827	117,432	113,701			113,701
Share of surplus/ (deficit) of associate		-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(36,060)	76,495	113,701	10,827	117,432	113,701			113,701

APPENDIX L - CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

**CONDITIONAL GRANTS: EXCLUDING MIG
R`000**

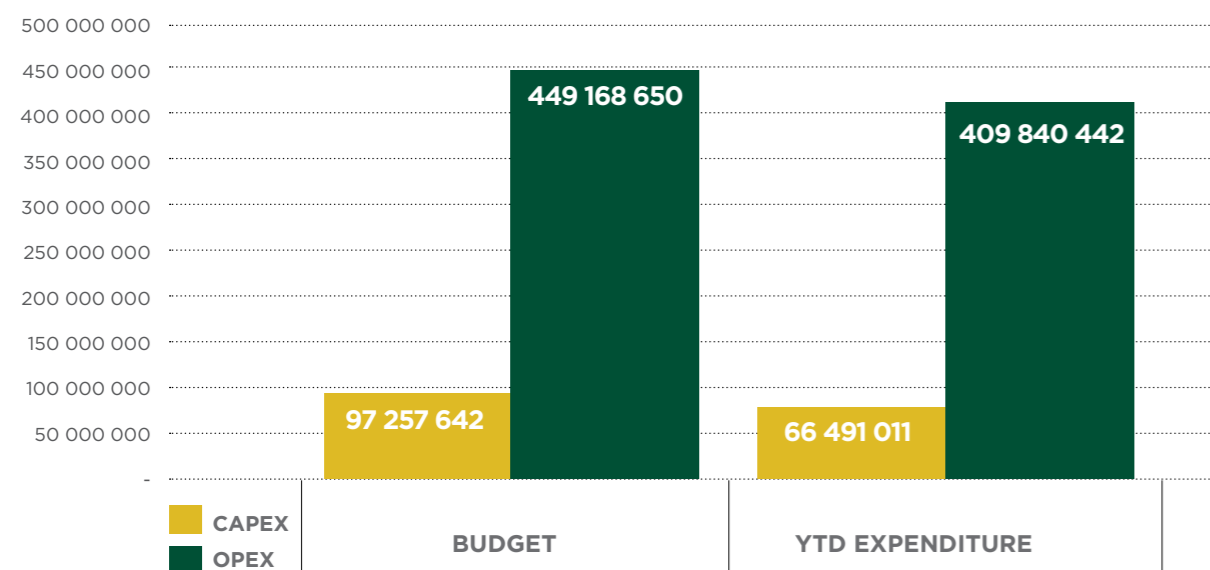
DETAILS	BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE		MAJOR CONDITIONS APPLIED BY DONOR (CONTINUE BELOW IF NECESSARY)
				BUDGET	ADJUSTMENT BUDGET	
Neighbourhood development				%	%	
Partnership grant						
INEP	R9,988,000.00	0.00	R9,988,000.00			
MIG	R53,832,000.00	R8,000.00	R61,832,000.00			
FMG	R1 770 000	0.00	R1 770 000			
EPWP	R1 002 000	0.00	R1 002 000			
Total						

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

CAPITAL EXPENDITURE

Graph 5: Capital Expenditure 2018/2019

BUDGET PERFORMANCE



APPENDIX N - CAPITAL PROGRAMME BY PROJECT YEAR 2018/2019

**Capital Programme by Project 2018/2019
(,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 Masakaneng	R3,344,000.00	0.00	R3,344,578.80		
Electrification of Makaepa	R3,300,000.00	0.00	R3,300,000.00		
Electrification of Tambo	R3,344,000.00	0.00	R3,342,043.22		
Energy Efficiency Demand Site Management	R5,000,000.00	0.00	R4,991,011.00		
Roads and Storm Water					
Kgaphamadi construction of bus route, bridge and storm water control	R19,942,000.00	0.00	R19,925,817.73		
Construction of Laersdrift bus road	R16,515,084.13	0.00	R13,254,298.31		
Mpheleng construction of bus route and storm water control	R9,750,000.00	0.00	R9,747,691.98		
Kgoshi Mathebe, Matsepe and Makgopheng construction of ring road and storm water control	R9,000,000.00	877,217.41	R9,870,942.62		
Naganeng bus road and storm water control	R6,624,915.87	0.00	R6,624,915.87		
Groblersdal Roads and Streets	R4,420,005.45	0.00	R4,420,005.45		
Rehabilitation of Ramogwerane to Nkadimeng road	R1,725,000.00	0.00	R1,722,424.00		
Construction of Nyakoroane road	R1,500,002.00	0.00	R1,493,735.00		
Development of Fleet Centre	R5,881,377.04	0.00	R5,880,886.10		

APPENDIX O - CAPITAL PROGRAMME BY PROJECT BY WARD 2018/2019

Capital Programme by Project by Ward 2018/2019		
R`000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
District function		
Sanitation/sewerage		
District function		
Electricity		
Electrification of Masakaneng	14	Yes
Electrification of Makaepa	25	Yes
Electrification of Tambo	09	Yes
Energy Efficiency Demand Site Management	13	Yes
Housing		
Cemeteries		
Roads & stormwater		
Kgaphamadi construction of bus route, bridge and storm water control	21	No (multi-year)
Construction of Laersdrift bus road	30	No
Mpheleng construction of bus route and storm water control	05	Yes
Kgoshi Mathebe, Matsepe and Makgopheng construction of ring road and storm water control	10, 18, 25	Yes
Naganeng bus road and storm water control	3, 14	Yes
Groblersdal Roads and Streets	13	
Rehabilitation of Ramogwerane to Nkadimeng road	24	
Construction of Nyakoroane road	07	
Development of Fleet Centre	13	No (multi-year)

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 2018/2019				
All organisations or persons in receipt of loans*/ Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2018/2019 R`000	Total amount committed over previous and future years
No grants and loans granted during the year under review				

APPENDIX S - DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During 2018/2019 According to Reporting Requirements	
Return	Reason return not properly made on due date
All MFMA Section 71 returns were made according to reporting requirements, and submitted in time	

APPENDIX S - DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Not applicable: all information is addressed in the annual report

OVERSIGHT REPORT



for the 2018/2019 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 2018/2019 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 22 January 2019, the Mayor tabled the Draft 2018/2019 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 2018/2019 financial year.*
2. *That considers the draft Annual Report for the 2018/2019 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. 63 for oversight report.*
4. *That, as prescribed by Section 127(5) of the Local Government: Municipal Finance Management Act, 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:

- (i) Unforeseen and unavoidable expenditure;
- (ii) Unauthorized, irregular or fruitless and wasteful expenditure;
- (iii) The quarterly report of the Mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP;
- (iv) 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 IDP post elections;
- (xv) Annual review of the IDP;
- (xvi) Performance Management Plan;
- (xvii) Monitoring that the annual budget is informed by the IDP;
- (xviii) Monitoring that all declaration of interest forms is 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	Motlape	Girly	Member	FEMALE
EFF	Lecheko	Morotse	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 2018/2019 annual report was extensively published for public comments.

DATE	ACTIVITY
22 January 2020	The draft 2018/2019 Annual Report is uploaded on municipal website and made available in municipal offices, municipal library and Municipal Satellite Offices.

Below is the programme for Public hearings:

OVERSIGHT VISIT PROGRAM

DATE	TIME	CLUSTER	VENUE
05/03/2020	10h00	Ward 8	Marapong Paypoint
06/03/2020	10h00	Ward 21	Jerusalem Sportsground

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

DATE	PURPOSE	VENUE
1-4 February 2020	Strategic Session to draft questionnaire to Management of their findings	Loskop Dam
05 March 2019	MPAC Outreach at Ward 8 on the Draft 2017/2018 Annual Report	Marapong Paypoint
06 March 2020	MPAC Outreach at ward 19 on the Draft 2017/2018 Annual Report	Jerusalem Sports Ground
20 March 2020	Meeting with Management on MPAC Questionnaire	Committee Room
24 April 2020	Compiling Oversight report on the Draft 2019/2020 Annual Report	Committee Room

Summary of comments on the draft 2018/2019 Annual Report

The MPAC believes that the draft 2018/2019 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. Despite the regression from unqualified to qualified audit opinion, the municipality stands in a good position to bounce back to unqualified audit opinion. Of significance is that there are no new findings on Irregular and no findings on key performance areas. With our collective efforts, the next audit opinions can reflect good performance on quality service provision and better audit opinion.

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

This report is a product of a painful process which MPAC had to take on chest as a result of the State of National Disaster declared from the 27th of March 2020. This challenged us to improvise and employ means of technology to conduct our engagements both with management and amongst ourselves as a committee. This led to the late submission of this report to council, which was scheduled for end of March.

5. FINDINGS AND PROPOSED SOLUTIONS

The table below shows challenges noted by the Committee during the perusal of the Draft Annual Report and proposed solutions to these challenges;

FINDINGS NOTED BY MPAC

MPAC has noted that copies of the Performance Report do not reach the entire communities as envisaged. Community members are challenge by the language in which the reports are written (English only)	<ol style="list-style-type: none"> 1. Ward Councillors, through the assistance of ward committees together Ward Liaison Officer must convene community meetings 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 <p>MPAC recommend that the municipality must create space on the website and social media for people to comment on the Draft Annual report.</p>
Higher dependency on National grants	<ol style="list-style-type: none"> 1. The municipality to develop and implement the revenue enhancement strategy. We reiterate our call for revenue enhancement Imbizo and for EXCO to engage with rate payers to understand why there is a challenge in revenue collection.
Lack of oversight on in-year reporting	<ol style="list-style-type: none"> 1. That all oversight committees in the municipality must play their oversight role. Sec 79 committees must sit and peruse their departmental quarterly reports.

DEPARTMENTAL PERFORMANCE FINDINGS

DEPARTMENT	CHALLENGE/FINDING	PROPOSED SOLUTION
CORPORATE	<ol style="list-style-type: none"> 1. The municipality does not have staff skills retention policy 2. Organogram not aligned to the IDP 	<ol style="list-style-type: none"> 1.1 The municipality must develop skill retention policy, more specially where the municipality use its own resources to capacitate employees. 1.2. The municipality must believe in the capacity of the employees whom we spend lot of resources to train. 2.1 The municipality must look into filling the post that address the needs of the IDP
DEVELOPMENT PLANNING	<ol style="list-style-type: none"> 1. The planning of the municipality does not address the reality on the ground 2. Municipality taking services to the land without the consent of the land owners 	<ol style="list-style-type: none"> 1.1. MPAC reiterates the call which we made on the previous Oversight Report that the department must develop LED strategy aligned with the spatial planning of the municipality. The matter has long been pertinent and its recurring with excuses on annually. 2.1. That the end user department must advice all departments about land ownership and facilitate for the consent of landowners before they roll out projects.
EXECUTIVE SUPPORT	<ol style="list-style-type: none"> 1. Lack of Human resource 2. Lack of separation of power in Executive Support 	<ol style="list-style-type: none"> 1.1. Municipality must fill posts which are critical in this department. The department is understaffed and some committees cannot function properly as they share administrative support. 2.1. MPAC notes that the organogram addressed the issue, however these posts are not yet filled

DEPARTMENT	CHALLENGE/FINDING	PROPOSED SOLUTION
BUDGET & TREASURY	<ol style="list-style-type: none"> 1. Regress on revenue collection 2. High percentage on contracted services 3. Conflict of Interest 4. Lack of debt management 	<ol style="list-style-type: none"> 1.1 The municipality must look on developing a method where one cannot access any service from the municipality when still owing other services billed. 1.2 Where people are not able to pay, the municipality must invoke on the its own policies i.e credit control and indigent policy. 2.1 MPAC notes and commends management for coming up with drastic measures to contain costs. We hope this will yield positive results 3.1 MPAC notes the fact that there is no new case of conflict of interest. Management must work to maintain the status quo 4.1 The municipality must pay all the debts within 30 days to avoid unnecessary interest which will result to Fruitless and Wasteful expenditure.
INFRASTRUCTURE	<ol style="list-style-type: none"> 1. Incomplete projects 2. Lack of maintenance on roads 3. Electricity loss in Rossenekal 	<ol style="list-style-type: none"> 1.1. The municipality must develop a monitoring mechanism on the projects that are being implemented. Notably Kgaphamadi Bus route and Laersdrift Access Road could have been completed in time had reasonable measures implemented. 1.2. The PSC members who are appointed must be capacitated by the municipality to know their role so that they are able to see when the contractor is not doing quality work. 1.3. Section 79 committee of infrastructure must do project visits to play oversight on the projects during implementation. 2.1. The municipality must allocate sufficient budget to maintain the completed roads. Although the negative variance on revenue contributes to this, we believe that a little should be done as opposed t nothing. 3.1 Management has assured MPAC that there is a process in place to address this, we recommend that progress be submitted to council on quarterly basis.
SOCIAL DEVELOPMENT	<ol style="list-style-type: none"> 1. Regress on % of house hold enjoying refuse removal service 2. The licensing unit within the department is not accessible during weekends 	<ol style="list-style-type: none"> 1.1 The municipality has regressed from 16% to 14% of refuse removal collection. This is worrisome considering the fact that more than 80% of households are still excluded from the service. The municipality must have a campaign to register the willing payers who want to have access to the service of solid waste in other areas. 2.1 The municipality must take a resolution that the unit be open during weekends. 2.2 The municipality should a look at having a person assisting the motor dealers as they register vehicles in bulk.

5. FINANCIAL STATEMENTS

- MPAC notes the regression registered by the municipality on AG's audit opinion. The municipality has moved from unqualified to qualified audit opinion.
- Whereas there is an undertaking from the management to turn this around, MPAC will continue to follow this matter up to check to the adequacy and efficiency of the Audit Action Plan.
- We commend management on the fact that there is no finding on performance, meaning that the municipality has performed well in terms of their annual targets.
- The AG's findings on Unauthorised, Irregular and Fruitless & Wasteful expenditure will be investigated and a report will be submitted to council.

6. CONCLUSION

The MPAC committee thank all the relevant participants for their support and cooperation during the oversight process. The committee believes that Elias Motsoaledi Municipality and its citizens will realize substantial and tangible benefits if a similar process is consistently followed in years to come. The draft annual report was easy for MPAC to play oversight as it is aligned to MFMA Circular 63, unlike in the past. We wish that this standard could be maintained for the credibility of the report.

7. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: 24 APRIL 2020 RESOLVE TO RECOMMEND:

1. That Council approves the draft 2018/2019 Annual Report with no 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.



CLLR. H.J. MAKUNYANE
MPAC CHAIRPERSON



Audited Financial Statements

for the year ended 2018/2019





ELIAS MOTSOALEDI

LOCAL MUNICIPALITY

(Registration number LIM 472)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

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

MAYOR	Cllr JL Mathebe
CHIEF WHIP	Cllr TM Phahlamohlaka (Chief Whip)
SPEAKER	Cllr MD Tladi

COUNCILLORS

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

Accounting Officer	Business address	Postal address	Bankers
Mrs RM Maredi	2nd Grobler Avenue - Civic Centre Groblersdal 0470	PO Box 48 Groblersdal 0470	Nedbank
Auditors	Grading of the Municipality		
Office of the Auditor General (Polokwane)	Grade 3		

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	195
Audit Committee Report	196 - 197
Accounting Officer's Report	198 - 199
Statement of Financial Position	200
Statement of Financial Performance	201
Statement of Changes in Net Assets	202
Cash Flow Statement	203
Accounting Policies	211 - 239
Notes to the Annual Financial Statements	240 - 281

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

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly

defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known

forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 9 to 88, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2019.


M M Kgware (Acting)
Acting Accounting Officer
31 August 2019

We are pleased to present our report for the year ended 30 June 2019.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

We are pleased to present our report for the year ended 30 June 2019. Audit committee members and attendance 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 comprised of Five (05) members appointed for the period of three (03) years with effect from January 2016 to December 2018. The term of the Four (4) Audit Committee members is extended during the financial year

2018/2019 under council resolution M18/19-04 from 04 January 2019 to end on 03 January 2021. The vacant post of one (01) member Mr. M.G Mathabathe whose term was not extended due to that they had served in the Audit Committee consecutively for six years was re-advertised. 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 Six (06) special audit committee meetings were held.

The Audit Committee consists of the members listed hereunder.

Audit Committee members	Number of meetings attended
Mrs M.P Ramutsheli (Chairperson)	4 Normal - 6 Special - 10 Total
Mr V.K Chuene	4 Normal - 5 Special - 9 Total
Mr M.O Mojapelo	3 Normal - 6 Special - 9 Total
Adv M.M Thipe	4 Normal - 2 Special - 6 Total
Mr M.G Mathabathe	2 Normal - 4 Special - 6 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 on 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.

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 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 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 strategic 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 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

Date: 31 Augst 2019

The accounting officer submits her report for the year ended 30 June 2019.

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 delivery of municipal services to the community.

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 surplus of the municipality was R 40 264 551 (2018: surplus R 13 601 904).

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, or requiring further disclosure.

4. Accounting Officer's interest in contracts

The Accounting Officers does not 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 are 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:

Name	Nationality	Changes
Mr M M Kgwale (Acting)	South African	Appointed 06 December 2018

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;
- 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.

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.

STATEMENT OF FINANCIAL POSITION

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Figures in Rand	Note(s)	2019	2018 Restated
Assets			
Current Assets			
Inventories	9	6 244 690	3 328 341
Receivables from exchange transactions	10	3 778 273	1 057 144
Receivables from non-exchange transactions	11	32 306 320	18 136 258
VAT receivable	12	11 332 497	11 774 832
Consumer debtors - From Exchange Transactions	13	6 223 088	11 386 500
Consumer debtors - From Non Exchange Transactions	13	22 617 127	13 566 068
Cash and cash equivalents	14	24 176 627	6 224 745
		106 678 622	65 473 888
Non-Current Assets			
Investment property	3	58 239 775	53 501 215
Property Plant and Equipment	4	998 680 328	952 369 603
Heritage Assets	5	463 363	463 363
Intangible assets	6	39 387	85 347
Deposit (Security held in advance)	8	13 539 055	12 706 118
		1 070 961 908	1 019 125 646
Total Assets		1 177 640 530	1 084 599 534
Liabilities			
Current Liabilities			
Deferred income	17	192 983	192 983
Finance lease obligation	15	9 624 401	-
Landfill Site Provision	18	1 678 266	1 707 120
Payables from exchange transactions	19	89 821 036	83 008 431
Consumer deposits	20	5 383 183	5 249 231
Employee benefit obligation	7	1 748 184	1 717 526
Unspent conditional grants and receipts	16	23 749 855	914 921
Provision for Long Service Leave	18	335 969	633 421
		132 533 877	93 423 633
Non-Current Liabilities			
Deferred income	17	3 473 684	3 666 667
Finance lease obligation	15	13 468 764	-
Landfill Site Provision	18	50 280 435	49 251 689
Employee benefit obligation	7	34 723 584	36 323 139
Provision for Long Service Leave	18	5 674 465	4 713 236
		107 620 932	93 954 731
Total Liabilities		240 154 809	187 378 364
Net Assets		937 485 721	897 221 170
Net Assets			
Accumulated surplus		937 485 721	897 221 170

STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Figures in Rand	Note(s)	2019	2018 Restated
Revenue			
Revenue from exchange transactions			
Interest received	24	11 316 162	12 620 796
Licences and permits	21	4 706 876	4 955 863
Other income	23	1 679 788	1 522 446
Recoveries	23	-	22 447
Rental of facilities and equipment	34	1 644 122	944 246
Service charges	22	82 962 168	74 873 839
Total revenue from exchange transactions		102 309 116	94 939 637
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	32 756 281	25 978 446
Transfer revenue			
Government grants & subsidies	27	316 049 270	324 063 649
Public contributions and donations		41 272	9 573 190
Fines, Penalties and Forfeits	21	56 634 539	67 325 397
Total revenue from non-exchange transactions		405 481 362	426 940 682
Total revenue	21	507 790 478	521 880 319
Expenditure			
Bulk purchases	32	(73 726 891)	(68 601 882)
Debt Impairment	31	(47 751 553)	(74 839 486)
Depreciation and amortisation	4&5&6	(54 177 802)	(53 653 958)
Employee related costs	28	(146 967 958)	(127 366 501)
Finance costs	30	(2 796 740)	(281 020)
General Expenses	33	(104 677 745)	(139 960 746)
Impairment loss/ Reversal of impairments	35	(261 844)	(630 188)
Lease rentals on operating lease	35	(4 771 998)	(7 873 341)
Remuneration of councillors	29	(23 661 753)	(22 873 581)
Repairs and maintenance		(15 839 277)	(12 305 069)
Transfers and Subsidies	26	(2 483 114)	(2 137 392)
Total expenditure		(477 116 675)	(510 523 164)
Operating surplus/(deficit)	35	30 673 803	11 357 155
Additional service cost landfill rehabilitation	18	707 228	(2 019 251)
Fair value adjustments - actuarial gains	7&18	3 947 195	3 562 297
Investment property fair value adjustment	3	4 738 560	379 419
Profit/(Loss) on disposal of assets	35	197 765	(1 469 884)
		9 590 748	452 581
Surplus for the year		40 264 551	11 809 736

STATEMENT OF CHANGES IN NET ASSETS

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2017	885 411 434	885 411 434
Changes in net assets		
Surplus for the year	11 809 736	11 809 736
Total changes	11 809 736	11 809 736
Opening balance as previously reported	898 895 751	898 895 751
Adjustments		
Correction of errors June 2018 year	(1 674 582)	(1 674 582)
Balance at 01 July 2018 as restated	897 221 170	897 221 170
Changes in net assets		
Surplus for the year	40 264 551	40 264 551
Total changes	40 264 551	40 264 551
Balance at 30 June 2019	937 485 721	937 485 721
Note(s)	41	

CASH FLOW STATEMENT

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Fines		5 507 841	7 578 865
Sale of goods and services		106 546 166	100 956 859
Grants		338 884 204	308 023 001
Interest		2 965 968	2 927 874
Other receipts		2 706 740	2 166 120
Licences and Permits		4 706 876	4 955 863
		461 317 795	426 608 582
Payments			
Employee costs		(160 908 974)	(145 281 739)
Suppliers		(198 052 139)	(184 579 416)
Finance cost		(2 796 740)	(281 020)
		(361 757 853)	(330 142 175)
Net cash flows from operating activities	36	99 559 942	96 466 407
Cash flows from investing activities			
Purchase of property plant and equipment	4	(76 437 376)	(107 563 236)
Proceeds from sale of investment property	3	2 839 219	2 400 000
Increase in Deposit (Security held in advance)		832 937	773 865
Net cash flows from investing activities		(72 765 220)	(104 389 371)
Cash flows from financing activities			
Finance lease payments		(8 842 840)	(6 899 878)
Net increase/(decrease) in cash and cash equivalents		17 951 882	(14 822 842)
Cash and cash equivalents at the beginning of the year		6 224 745	21 047 586
Cash and cash equivalents at the end of the year	14	24 176 627	6 224 744

**STATEMENT OF COMPARISON
OF BUDGET AND ACTUAL
AMOUNTS (continued)**

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 Performance						
Revenue						
Revenue from exchange transactions						
Service charges	101 546 076	(11 621 377)	89 924 699	82 962 168	(6 962 531)	1
Rental of facilities and equipment	1 220 000	(220 000)	1 000 000	1 644 122	644 122	2
Licences and permits	4 950 000	250 000	5 200 000	4 706 876	(493 124)	3
Other income	2 760 771	(1 178 569)	1 582 202	1 679 788	97 586	4
Interest earned	11 160 815	(1 668 440)	9 492 375	11 316 162	1 823 787	5
Total revenue from exchange transactions	121 637 662	(14 438 386)	107 199 276	102 309 116	(4 890 160)	
Revenue from non-exchange transactions						
Taxation revenue	36 650 073	(3 639 591)	33 010 482	32 756 281	(254 201)	6
Property rates						
Transfer revenue						
Government grants & subsidies	245 278 000	94 050 000	339 328 000	316 049 270	(23 278 730)	7
Public contributions and donations	-	-	-	41 272	41 272	7.1
Fines, Penalties and Forfeits	73 217 747	(3 008 874)	70 208 873	56 634 539	(13 574 334)	8
	355 145 820	87 401 535	442 547 355	405 481 362	(37 065 993)	
	476 783 482	72 963 149	549 746 631	507 790 478	41 956 153)	
Expenditure						
Employee related costs	(134 148 576)	3 675 500	(130 473 076)	(146 967 958)	(16 494 882)	9
Remuneration of councillors	(25 070 359)	779 310	(24 291 049)	(23 661 753)	629 296	10
Depreciation and amortisation	(51 180 556)	(42)	(51 180 598)	(54 177 802)	(2 997 204)	11
Impairment loss/ Reversal of impairments	-	-	-	(261 844)	(261 844)	12
Finance costs	(2 500 000)	(400 000)	(2 900 000)	(2 796 740)	103 260	13
Lease rentals on operating lease	-	-	-	(4 771 998)	(4 771 998)	14
Debt Impairment	(53 420 865)	(1 579 135)	(55 000 000)	(47 751 553)	7 248 447	15
Repairs and maintenance	(17 093 456)	8 184 674	(8 908 782)	(15 839 277)	(6 930 495)	16

**STATEMENT OF COMPARISON
OF BUDGET AND ACTUAL
AMOUNTS (continued)**

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Bulk purchases	(80 000 000)	10 000 000	(70 000 000)	(73 726 891)	(3 726 891)	17
Transfers and Subsidies	(4 403 972)	823 929	(3 580 043)	(2 483 114)	1 096 929	18
General Expenses	(103 489 276)	654 230	(102 835 046)	(104 677 745)	(1 842 699)	19
Total expenditure	(471 307 060)	22 138 466	(449 168 594)	(477 116 675)	(27 948 081)	
Operating surplus	5 476 422	95 101 615	100 578 037	30 673 803	131 251 840	
Gain on disposal of assets and liabilities	-	-	-	197 765	197 765	21
Additional contribution landfill rehabilitation	-	-	-	707 228	707 228	21.1
Fair value adjustments	-	-	-	3 947 195	3 947 195	21.2
Investment property fair value adjustment	-	-	-	4 738 560	4 738 560	21.3
				9 590 748	9 590 748	
Surplus/(Deficit) before taxation	5 476 422	95 101 615	100 578 037	40 264 551	(60 313 486)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	5 476 422	95 101 615	100 578 037	40 264 551	(60 313 486)	

**STATEMENT OF COMPARISON
OF BUDGET AND ACTUAL
AMOUNTS (continued)**

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Budget on Accrual Basis						
Figures in Rand	Figures in Rand	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	3 400 000	-	3 400 000	6 244 690	2 844 690	22
Receivables from exchange transactions	-			3 778 273	3 778 273	23
Receivables from non-exchange transactions	58 923 282	583	58 923 865	32 306 320	(26 617 545)	24
VAT receivable	-	-	-	11 332 497	11 332 497	25
Consumer debtors	40 482 567	-	40 482 567	28 840 220	(11 642 347)	26
Cash and cash equivalents	18 038 929	6 234 000	24 272 929	24 176 627	(96 302)	27
	120 844 778	6 234 583	127 079 361	106 678 627	(20 400 734)	
Non-Current Assets						
Investment property	53 728 304	-	53 728 304	58 239 775	4 511 471	28
Property Plant and Equipment	1 016 632 049	-	1 016 632 049	998 680 328	(17 951 721)	29
Heritage Assets	-	-	-	463 363	463 363	30
Intangible assets	290 674	-	290 674	39 387	(251 287)	31
Deposit (Security held in advance)	12 841 200	-	12 841 200	13 539 055	697 855	32
	1 083 492 227	-	1 083 492 227	1 070 961 908	(12 530 319)	
Total Assets	1 204 337 005	6 234 583	1 210 571 588	1 177 640 535	(32 931 053)	
Liabilities						
Current Liabilities						
Deferred income	-	-	-	192 983	192 983	33
Finance lease obligation	10 000 000	(3 189 157)	6 810 843	9 624 401	2 813 558	34
Landfill Rehabilitation Provision	-	-	-	1 678 266	1 678 266	35
Payables from exchange transactions	52 466 250	-	52 466 250	89 821 036	37 354 786	36
Consumer deposits	5 260 000	-	5 260 000	5 383 183	123 183	37
Employee benefit obligation	-	-	-	1 748 184	1 748 184	38
Unspent conditional grants and receipts	-	-	-	23 749 855	23 749 855	39

**STATEMENT OF COMPARISON
OF BUDGET AND ACTUAL
AMOUNTS (continued)**

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Provision for Long Service Leave	5 412 000	(3 000 000)	2 412 000	335 969	(2 076 031)	40
	73 138 250	(6 189 157)	66 949 093	132 533 877	65 584 784	
Non-Current Liabilities						
Deferred income	-	-	-	3 473 684	3 473 684	33
Finance lease obligation	30 677 227	(7 437 250)	23 239 977	13 468 764	(9 771 213)	34
Landfill Site Rehabilitation provision	-	-	-	50 280 435	50 280 435	35
Employee benefit obligation	-	-	-	34 723 584	34 723 584	35
Provision for Long Service Leave	85 951 562	-	85 951 562	5 674 465	(80 277 097)	40
	116 628 789	(7 437 250)	109 191 539	107 620 932	(1 570 607)	
Total Liabilities	189 767 03	(13 626 407)	176 140 632	240 154 809	64 014 177	
Net Assets	1 014 569 966	19 860 990	1 034 430 956	937 485 726	(96 945 230)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1 014 569 966	19 860 990	1 034 430 956	937 485 726	(96 945 230)	41

- 1. Service Charges**
Electricity and refuse removal revenue anticipated was over projected and in addition, the illegal connections in Roosenekaal was expected to be resolved. It had a negative impact on electricity revenue
- 2. Rental of facilities and equipment**
The variance is attributed to straight lining of operating lease
- 3. Licences and permits**
The variance is slightly below budgeted amount and considered reasonable based on the estimated amount
- 4. Other income**
The variance is deemed to be immaterial, however it is attributable to building plan approval which was significantly under budgeted.
- 5. Interest earned**
The variance is attributed to the increment in debtors and adequate investment made during the year
- 6. Property rates**
The variance is attributed to unknown properties that are not getting billed.
- 7. Government grants and subsidies**
The variance is attributed to the unspent conditional grants
 - 7.1 Public contributions and donations
The item was not budgeted for as it wasn't expected
- 8. Fines; penalties and forfeits**
The variance was due to burning of speed cameras and realisation by the citizen relating to location of cameras.
- 9. Employee related costs**
The variance is caused by high leave pay; actuarial long service awards and employee benefit scheme
- 10. Remuneration of Councillors**
The variance is due to the upper limits that was slightly less than the projected figures
- 11. Depreciation & asset impairment**
The variance is attributed to additions including finance lease
- 12. Impairment loss and reversals**
Impairment loss/reversal of impairment loss was not budgeted for
- 13. Finance charges**
Refer to finance lease explanation
- 14. Lease rentals on operating lease**
The budget is included in other expenditure budget as per National Treasury Schedule
- 15. Debt impairment**
The variance is attributed to low collection rate on traffic fines as well as a significant
- 16. Repairs and maintenance**
The variance is attributed to unexpected high maintenance. Refer to inventory explanation
- 17. Bulk purchases**
The variance is attributable to new electrified area- Masakaneng

- 18. Transfers and subsidies**
The number of households receiving free basic electricity was way below the projected amount
- 19. General expenses**
The variance is caused by those accounts that are presented separately in the National Treasury schedules whereas they are classified as other expenditure on the face of statement of financial performance (i.e leases)
- 21. Loss on disposal of assets and liabilities**
There was no budget provision for this account
 - 21.1 Additional contribution landfill rehabilitation
There was no budget provision for this account
 - 21.2 Fair value adjustments
There was no budget provision for this account
 - 21.3 Investment property fair value adjustment
There was no budget provision for this account
- 22. Inventory**
Inventory was kept at reasonable level as compared to previous year which resulted in purchasing adequate store items
- 23. Receivables from exchange transaction**
The budget for this item is combined with receivables from non-exchange transactions
- 24. Receivables from non-exchange transaction**
Adding receivables from both exchange and non-exchange transactions and VAT receivable, we remain with underperformance variance that is caused by significant portion of traffic fines debtors having been impaired
- 25. VAT receivables**
The budget for this item is combined with receivables from non-exchange transactions
- 26. Consumer debtors**
The variance is attributable high debt impairment on debtors
- 27. Cash and cash equivalent**
The variance is immaterial and is due to low revenue collection rate
- 28. Investment property**
The variance is attributed to high fair value adjustment
- 29. Property, plant and equipment**
The variance is attributed to the disposal of assets
- 30. Heritage assets**
The budget for this account is included in the property plant and equipment
- 31. Intangible assets**
Intangible assets fully amortised
- 32. Deposit (Security held in advance)**
The variance is caused by the actual interest earned on this deposit that was slightly more than projected interest and this is due to the capitalization of previously earned interest

33. Deferred income

The budget for this account is included in provisions

34. Finance lease obligation

The variance is attributed to specialised machinery and equipment and transport assets that were delivered after commencement of the lease and that not all assets are delivered.

35. Landfill Rehabilitation Provisions

The budget for this account is included in provisions

36. Trade and other payables

The variance is attributed to a significant amount for accruals

37. Consumer deposits

The consumer deposit received during the year was more than the projected amount

38. Employee benefit obligation

The budget for this account is included in provisions

39. Unspent conditional grants

The variance is due to unexpected additional MIG and COGHSTA funds allocated after mid-year

40. Provisions

Taking the above items into consideration whose budgeted in included in the provision budget, the variance is attributed to increase in provision for landfill site and long service leave

41. Accumulated Surplus/(Deficit)

The variance is caused by high total expenditure that is caused by significant increase in debt impairment; repairs and maintenance and employee related costs. Furthermore, it is caused by additional grants received.

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.

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

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

The municipality assesses its trade 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.

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. The write down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments that are not traded in an active market 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.

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. 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 effective 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.

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.

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.

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.

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.

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

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.

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 a 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 initial fair value/cost less any accumulated impairment losses.

Impairment

The municipality assesses 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.

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.

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.

Long term advance payments 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.

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 do not meet the definition of financial instruments at amortised cost or financial.

Classification

The Municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Deposit (Security held in advance)	Financial Asset measured at amortised cost
Investments - Call accounts	Financial Asset measured at amortised cost
Consumer Debtors	Financial Asset measured at amortised cost
VAT	Financial Asset measured at amortised cost
Sundry debtors	Financial Asset measured at amortised cost

The Municipality has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Consumer deposits	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Accruals	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

Initial recognition

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

Initial measurement of financial assets and financial liabilities

The Municipality 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.

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised 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 effective interest rate.

Derecognition**Financial assets**

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.

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.

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.

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, is recognised in surplus or deficit.

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.

1.9 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. 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.

1.10 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.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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.

1.11 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:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

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

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.

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.

1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

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:

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 overdesigned or overcapacity asset. Overdesigned 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.

1.13 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

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.

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.

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.

1.14 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 38.

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.

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 1.11 and 1.12.

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.

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

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 commitments are excluded.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 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.

1.17 Revenue from non-exchange transactions

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise 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.

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, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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.

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 an average percentage of fines outstanding divided by the total fines issued for each financial year.

Impairment on all traffic fines outstanding is calculated on a basis of the average of uncollectable rate over the full period of traffic fines per type of traffic fine.

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.

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.

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.

1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 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.

1.21 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.

1.22 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 -

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- 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.

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.

1.23 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.

1.24 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.

1.25 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 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.

Comparative information is not required.

1.26 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.

1.27 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
- 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.

1.28 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.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has not adopted any new standards and interpretations.

2.2 Standards and Interpretations early adopted

The municipality did not choose to early adopt any standards and interpretations:

2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods. TBA indicates that the effective date is still to be determined by the ASB:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2019	Unlikely there will be a material impact
GRAP 7 (as revised 2010): Investments in Associates	01 April 2019	Unlikely there will be a material impact
GRAP 18 (as amended 2016): Segment Reporting	01 April 2019	Unlikely there will be a material impact
GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	Unlikely there will be a material impact
GRAP 105: Transfers of functions between entities under common control	01 April 2019	Unlikely there will be a material impact
GRAP 106 (as amended 2016): Transfers of functions between entities not under common control	01 April 2019	Unlikely there will be a material impact
GRAP 107: Mergers	01 April 2019	Unlikely there will be a material impact
GRAP 109: Accounting by Principals and Agents	01 April 2019	Unlikely there will be a material impact
IGRAP 11: Consolidation - Special purpose entities	01 April 2019	Unlikely there will be a material impact
IGRAP 12: Jointly controlled entities - Non-monetary contributions by ventures	01 April 2019	Unlikely there will be a material impact
IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019	Unlikely there will be a material impact
IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	Unlikely there will be a material impact

2.4 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2019	Unlikely there will be a material impact
GRAP 108: Statutory Receivables	01 April 2019	Unlikely there will be a material impact

3. INVESTMENT PROPERTY

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	58 239 775	-	58 239 775	53 501 215	-	53 501 215

Reconciliation of investment property - June 2019

	Opening balance	Fair value adjustments	Total
Investment property	53 501 215	4 738 560	58 239 775

Reconciliation of investment property - June 2018

	Opening balance	Disposals	Write-off	Fair value adjustments	Total
Investment property	56 087 215	(1 897 176)	(1 068 244)	379 420	53 501 215

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 2018. 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.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	(1 185 507)	(806 489)
From Investment property that generated rental revenue		
Repairs and maintenance	100 321	-

There were no direct operating expenses and repairs and maintenance for Investment property that did not generate rental revenue for the 2018 and 2019 year.

4. PROPERTY PLANT AND EQUIPMENT

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	186 531 191	(9 915 156)	176 616 035	186 531 191	(9 915 156)	176 616 035
Buildings	132 215 804	(65 117 047)	67 098 757	133 046 400	(60 859 175)	72 187 225
Leased assets capitalised	26 156 047	(1 834 037)	24 322 010	-	-	-
Infrastructure	1 033 704 239	(407 885 028)	625 819 211	962 633 002	(366 922 409)	595 710 593
Community	31 880 463	(12 389 541)	19 490 922	31 950 442	(11 168 115)	20 782 327
Other property, plant and equipment	89 250 620	(49 772 209)	39 478 411	96 700 971	(51 316 267)	45 384 704
Capital - Work in Progress	45 854 982	-	45 854 982	41 688 719	-	41 688 719
Total	1 545 593 346	(546 913 018)	998 680 328	1 452 550 725	(500 181 122)	952 369 603

Reconciliation of property plant and equipment - June 2019

	Opening balance	Additions	Disposals	Dere- cognised	Transfers	Depreciation	Impairment loss	Total
Land	176 616 035	-	-	-	-	-	-	176 616 035
Buildings	72 187 225	-	-	-	-	(4 615 382)	(160 802)	67 098 757
Leased assets capitalised	-	26 187 221	26 187 221	-	-	1 865 211)	-	24 322 010
Infrastructure	595 710 593	1 535 739	1 535 739	-	69 974 088	(39 584 787)	(100 707)	625 819 211
Community	20 782 327	-	-	-	-	(1 282 181)	-	19 490 922
Other property, plant and equipment	45 384 704	1 502 033	1 502 033	-	-	(6 799 937)	(4 158)	39 478 411
Capital - Work in Progress	41 688 719	76 722 960	76 722 960	(2 582 609)	(69 974 088)	-	-	45 854 982
Total	952 369 603	105 947 953	(2 641 454)	(2 582 609)	-	(54 147 498)	(265 667)	998 680 328

Reconciliation of property plant and equipment - June 2018

	Opening balance	Additions	Disposals	Dere- cognised	Transfers	Depreciation	Impairment loss	Total
Land	176 616 035	-	-	-	-	-	-	176 616 035
Buildings	80 273 020	-	-	1 554 406	-	(4 472 208)	(5 033 425)	72 187 225
Leased assets capitalised	16 971 136	-	-	(15 330 037)	-	-	(1 641 099)	-
Infrastructure	568 870 802	454 999	-	77 628 144	403 065	(11 002 802)	(40 320 236)	595 710 593
Community	12 029 029	-	-	10 054 537	-	(81 615)	(1 161 424)	20 782 327
Other property, plant and equipment	23 956 890	2 220 996	-	17 295 604	7 593 379	(275 680)	(5 292 444)	45 384 704
Capital - Work in Progress	45 731 196	104 887 238	(17 657 557)	(91 202 654)	-	(69 504)	-	41 688 719
Total	924 448 108	107 563 233	(17 657 557)	-	7 996 444	(15 901 809)	(53 448 628)	952 369 603

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain
property, plant and equipment

included in Statement of Financial Performance

Repairs and maintenance 15 738 956 12 305 070

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%

Electricity that does not exist but were recorded in the Fixed Asset Register as Elias Motsoaledi local municipality assets, have been removed from the Fixed Asset Register.

5. HERITAGE ASSETS

	2019			2018		
	Cost / Valuation	Accumulated amortisation	Carrying value	Carrying value	Accumulated amortisation	Carrying value
Heritage Assets	463 363	-	463 363	463 363	-	463 363

Reconciliation of heritage assets - June 2019

	Opening balance	Total
Heritage Assets	463 363	463 363

Reconciliation of heritage assets - June 2018

	Opening balance	Total
Heritage Assets	463 363	463 363

6. INTANGIBLE ASSETS

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 554 591	(1 515 204)	39 387	1 554 591	(1 469 244)	85 347

Reconciliation of intangible assets - June 2019

	Opening balance	Amortisation	Total
Computer software	85 347	(45 960)	39 387

Reconciliation of intangible assets - June 2018

	Opening balance	Amortisation	Total
Computer software	290 674	(205 327)	85 347

7. EMPLOYEE BENEFIT OBLIGATIONS

The amounts recognised in the statement of financial position are as follows:

Figures in Rand	2019	2018
Carrying value		
Present value of the Post Employment Medical Health Care obligation -	(38 040 665)	(38 840 105)
Opening balance		
Interest charge	(3 522 965)	(3 640 455)
Net actuarial gains or losses recognised	4 598 255	3 998 111
Current Service Cost	(1 272 540)	(1 310 645)
Benefits paid out of the fund	1 766 147	1 752 429
	(36 471 768)	(38 040 665)
Non-current liabilities	(34 723 584)	(36 323 139)
Current liabilities	(1 748 184)	(1 717 526)
	(36 471 768)	(38 040 665)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	38 040 665	38 840 105
Net expense recognised in the statement of financial performance	(1 568 897)	(799 440)
	36 471 768	38 040 665

Net expense recognised in the statement of financial performance

Current service cost	1 272 540	1 310 645
Interest cost	3 522 965	3 640 455
Actuarial (gains)/losses	(4 598 255)	(3 998 111)
Paid out to current members	(1 766 147)	(1 752 429)
	(1 568 897)	(799 440)

Calculation of actuarial gains and losses

Actuarial (gains)/losses - Obligation	(4 598 255)	(3 998 111)
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Key assumptions used

Assumptions used at the reporting date:

Discount rates used: Long service awards	8.24 %	8.61 %
General salary inflation (Long Term)	5.60 %	6.21 %
Nett effective discount rate - Long service awards	2.50 %	2.26 %
Discount rate used: Post employment benefits	9.19 %	9.47 %
Health care inflation rate	7.33 %	7.33 %
Net effective discount rate - Post employment benefits	1.99 %	1.99 %

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 on employee benefits obligation	4 468 300	5 192 700
Effect on the aggregate of the service cost and interest cost on Long service awards	1 007 100	1 061 200

Amounts disclosed span the total information available as the municipality applied the GRAP standard only from 2015 annual financial statements. Future periods will include all further information as it ages.

	2019 R	2018 R	2017 R	2016 R	2015 R
Defined benefit obligation	36 472 000	38 040 665	38 840 103	35 484 327	30 763 371
Experience adjustments on plan liabilities	(2 253 000)	(1 888 000)	4 795 000)	(1 933 000)	(363 000)
	2019 R	2018 R	2017 R	2016 R	2015 R
Long service awards	36 472 000	38 040 665	4 551 581	534 657	6 010 434
Experience adjustments on plan liabilities	196 105	287 873	(103 338)	372 039	(64 492)

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	13 539 055	12 706 118
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9. INVENTORIES

Consumables

	6 244 690	3 328 341
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9.1 Consumables expenses

Statement of Financial Position

Opening stock	3 328 341	3 202 151
Add: Purchase	7 905 226	6 042 544
Less: Consumed	(4 988 879)	(5 916 354)
Closing stock	6 244 690	3 328 341

Statement of Financial Performance

Consumables used	-	34 508
Repairs And Maintenance used	3 311 722	3 539 796
Printing And Stationery used	1 654 657	2 342 050
Advertising	22 500	-

Inventories recognised as an expense during the year

	4 988 879	5 916 353
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Inventories recognised as expenses during the year are included in different expenditure line items in the statement of financial performance as illustrated above.

Figures in Rand	2019	2018
10. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Interest receivable	48 247	48 247
Prepayments	1 725 941	150 235
Recoverable fruitless and wasteful expenditure	-	22 446
Trade debtors	2 004 085	836 216
	3 778 273 1	1 057 144
11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Fines	179 683 893	129 118 352
Less: Provision for irrecoverable debt	(147 377 573)	(110 982 094)
	32 306 320	18 136 258
12. VAT RECEIVABLE		
VAT	11 332 497	11 774 832
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	36 022 422	25 293 820
Electricity	5 443 952	12 128 864
Refuse	10 469 424	6 667 441
Other	29 487 419	22 089 409
	81 423 217	66 179 534
Less: Allowance for impairment		
Rates	(22 210 824)	(17 106 313)
Electricity	(2 371 195)	(3 066 082)
Refuse	(7 319 086)	(4 343 679)
Other	(20 681 892)	(16 710 848)
	(52 582 997)	(41 226 922)
Net balance		
Rates	13 811 598	8 187 507
Electricity	3 072 757	9 062 782
Refuse	3 150 338	2 323 762
Other	8 805 527	5 378 561
	28 840 220	24 952 612

Figures in Rand	2019	2018
Rates		
Current (0 -30 days)	5 746 477	2 343 694
31 - 60 days	1 375 584	1 320 296
61 - 90 days	1 004 722	970 488
91 - 120 days	949 549	845 741
121 - 365 days	6 062 688	6 654 584
> 365 days	20 883 402	13 159 017
	36 022 422	25 293 820
Electricity		
Current (0 -30 days)	2 750 146	5 507 063
31 - 60 days	1 750 989	2 002 991
61 - 90 days	296 864	559 908
91 - 120 days	92 005	301 435
121 - 365 days	453 695	740 860
> 365 days	100 253	3 016 607
	5 443 952	12 128 864
Refuse		
Current (0 -30 days)	652 118	652 157
31 - 60 days	559 854	451 927
61 - 90 days	372 757	375 759
91 - 120 days	357 706	346 037
121 - 365 days	2 424 798	3 019 094
> 365 days	6 102 191	1 822 467
	10 469 424	6 667 441
Other		
Current (0 -30 days)	2 036 361	1 681 066
31 - 60 days	1 217 892	1 033 695
61 - 90 days	902 508	784 473
91 - 120 days	842 010	636 065
121 - 365 days	5 524 866	5 414 572
> 365 days	18 963 782	12 539 538
	29 491 975	22 089 409

Figures in Rand	2019	2018
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	6 097 441	3 963 868
31 - 60 days	2 198 268	2 465 659
61 - 90 days	1 322 812	1 514 234
91 - 120 days	1 254 836	1 237 309
121 - 365 days	8 243 535	8 845 488
> 365 days	25 107 037	19 516 342
	44 223 929	37 542 900
Less: Allowance for impairment	(28 354 301)	(23 144 022)
	15 869 628	14 398 878
Industrial/ commercial		
Current (0 -30 days)	5 791 778	5 982 693
31 - 60 days	2 130 783	2 123 308
61 - 90 days	852 014	1 017 602
91 - 120 days	776 194	734 874
121 - 365 days	4 863 995	4 343 767
> 365 days	17 900 715	12 360 416
	32 315 479	26 562 660
Less: Allowance for impairment	(19 321 155)	(16 970 661)
	12 994 324	9 591 999
National and provincial government		
Current (0 -30 days)	1 472 965	237 420
31 - 60 days	575 268	219 942
61 - 90 days	402 024	158 792
91 - 120 days	210 240	157 095
121 - 365 days	1 358 516	213 417
> 365 days	5 837 477	1 087 306
	9 856 490	2 073 972
Less: Allowance for impairment	(4 907 542)	(1 112 238)
	4 948 948	961 734
Total		
Consumers	39 251 246	37 542 900
Commercial / industrial / agricultural	32 315 481	26 562 660
National, Provincial and other government organisations	9 856 489	66 179 536
	81 423 216	66 179 536
Less: Allowance for impairment	(52 582 996)	(41 226 924)
	28 840 220	24 952 612
Reconciliation of allowance for impairment		
Balance at beginning of the year	(41 226 922)	(27 545 439)
Contributions to allowance	(11 356 075)	(13 681 483)
	(52 582 997)	(41 226 922)

Consumer debtors impaired

As of 30 June 2019, consumer debtors of R 86 391 343 (2018: R 66 179 534) were impaired and provided for.

The amount of the provision was R 52 582 997 as at 30 June 2019 (2018: R 41 226 922). The basis of the calculation of debt impairment is based on the risk assessment required in terms of GRAP 19.

Figures in Rand	2019	2018
Consumer debtors breakdown		
The carrying amount of consumer debtors consist of the following:		
Consumer debtors from non-exchange transactions	22 617 127	13 566 068
Consumer debtors from exchange transactions	6 223 088	11 386 500
Total	28 840 215 24	24 952 612

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	6 250	6 251
Bank balances	12 332 722	6 218 494
Short-term deposits	11 837 655	-
	24 176 627	6 224 745

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Nedbank Limited: Cheque Account (Acc no 1137278765)	10 584 854	4 050 088	12 306 291	6 187 834
Nedbank Limited: Call Account (Acc no 037881068264)	11 837 655	-	11 837 655	-
Total	22 422 509	4 050 088	24 143 946	6 187 834

Figures in Rand	2019	2018
15. FINANCE LEASE OBLIGATION		
Minimum lease payments due		
- within one year	12 113 666	-
- in second to fifth year inclusive	14 655 540	-
	26 769 206	-
less: future finance charges	(3 676 040)	-
Present value of minimum lease payments	23 093 166	-
Non-current liabilities	13 468 764	-
Current liabilities	9 624 402	-
	23 093 166	-

It is municipality policy to lease certain motor vehicles and equipment under finance leases.

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 were 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	2019	2018
Land Affairs Grant	466 250	466 250
Integrated National Electrification Programme (Municipal Grant) Municipal	12 122	10 744
Infrastructure Grant	1 500 433	437 927
COGHSTA - Development of Masakaneng	21 771 050	-
	23 749 855	914 921

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.

Figures in Rand	2019	2018
17. DEFERRED INCOME		
Designated at amortised cost		
Deferred income	3 473 684	3 666 667
Designated at amortised cost		
Deferred income	192 983	92 983
Non-current liabilities	3 473 684	3 666 667
Deferred income		
Current liabilities	192 983	192 983
Deferred income		

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).

Figures in Rand	2019	2018
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18. PROVISION FOR LONG SERVICE LEAVE

Reconciliation of provisions - June 2019

	Opening Balance	Current Service Cost	Benefit Vested	Interest Cost	Actuarial Loss / (Gain) Restated	Total
Environmental rehabilitation - Landfill	50 958 809	(707 228)	-	1 707 120	-	51 958 701
Provision for Long Service Leave	5 346 657	599 274	(1 020 198)	433 641	651 060	6 010 434
	56 305 466	(107 954)	(1 020 198)	2 140 761	651 060	57 969 135

Reconciliation of provisions - June 2018

	Opening Balance	Current Service Cost	Benefit Vested	Interest Cost	Actuarial Loss / (Gain) Restated	Total
Environmental rehabilitation - Landfill	47 463 445	2 019 251	-	1 476 113	-	50 958 809
Provision for Long Service Leave Bonus	4 551 581	544 811	(559 498)	373 948	435 815	5 346 657
	52 015 026	2 564 062	(559 498)	1 850 061	435 815	56 305 466

Non Current Portion Landfill site provision	50 280 435	49 251 689
Current Portion Landfill site provision	1 678 266	1 707 120
Non-current portion of long service leave provision	5 674 465	4 713 236
Current portion of long service leave provision	335 969	633 421
	57 969 135	56 305 466

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 One Pangaea Financial as actuaries to perform the rehabilitation review and estimation for the 2019 financial year. The appropriate procedures were followed to ensure that the provision is appropriate for the landfill sites operated.

Discount Rate Assumption

Accounting Standard GRAP19 defines the determination of the investment return assumption to be used as the rate that can be determined by reference to market yields (at the balance sheet date) on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term/life of the landfill site.

The discount rate was deduced from the average of the Zero-Coupon Yield Curve (Nominal Bond) over the entire durations applicable in the future. The annualised long term discount rate at 27 June 2019 was 9.64% p.a.. The consumer price inflation of 6.21% p.a. was obtained from the differential between the averages of the Nominal Bond of 9.64% p.a. and the Real Bond 3.23% p.a. (Zero Yield Curves).

The Zero-Coupon Yield Curves were obtained from the Bond Exchange of South Africa after the market closed on 27 June 2019.

Key financial assumptions used

Assumption	30 June 2019 (OPES) %	30 June 2019 (OPES) %
Discount rate (D)	9.60	9.64
Consumer price inflation (C)	6.05	6.21
Net discount rate $((1+D)/(1+H)-1)$	3.35	3.23

19. PAYABLES FROM EXCHANGE TRANSACTIONS

	2019	2018
Trade payables	44 769 358	43 431 516
Payments received in advanced Consumer Accounts	6 287 447	6 404 313
Accrued leave pay	14 789 036	9 943 981
Accrued bonus	5 062 068	4 981 241
Retention Creditors	12 643 983	12 304 206
Unallocated deposits	3 709 981	3 612 245
Licensing	2 559 163	2 330 929
	89 821 036	83 008 431

20. CONSUMER DEPOSITS

Electricity	5 383 183	5 247 792
Library Books	-	1 439
	5 383 183	5 249 231

The electricity 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.

Figures in Rand	2019	2018
21. REVENUE		
Fines, Penalties and Forfeits	56 634 539	67 325 397
Government grants & subsidies	316 049 270	324 063 649
Interest received	11 316 162	12 620 796
Licences and permits	4 706 876	4 955 863
Other income	1 679 788	1 522 446
Property rates	32 756 281	25 978 446
Public contributions and donations	41 272	9 573 190
Recoveries	-	22 447
Rental of facilities and equipment	1 644 122	944 246
Service charges	82 962 168	74 873 839
	507 790 478	521 880
Interest received - investment	11 316 162	12 620 796
Licences and permits	4 706 876	4 955 863
Other income	1 679 788	1 522 446
Recoveries	-	22 447
Rental of facilities and equipment	1 644 122	944 246
Service charges	82 962 168	74 873 839
The amount included in revenue arising from exchanges of goods or services are as follows:	102 309 116	94 939 637
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	32 756 281	25 978 446
Property rates - penalties imposed	-	-
Transfer revenue		
Government grants & subsidies	316 049 270	324 063 649
Assets donated	41 272	9 573 190
Fines, Penalties and Forfeits	56 634 539	67 325 397
	405 481 362	426 940 682
22. SERVICE CHARGES		
Sale of electricity	75 107 672	67 574 989
Refuse removal	7 854 496	7 298 850
	82 962 168	74 873 839
23. OTHER INCOME		
Recovery of fruitless and wasteful expenditure	-	22 447
Other income	1 679 788	1 522 446
	1 679 788	1 544 893

Other income comprises of income from different sources as follows: Tender Documents, Plan Printing and Duplicates, Administrative fees, Cemetery and Burial, Clearance Certificates, Insurance Refund, Bad Debts Recovered, Staff Recoveries, Valuation Services, Building Plan Approval, Photocopies and Faxes, Application Fees for Land Usage, Photocopies, Facilities, Tender Documents and Advertisements.

Figures in Rand	2019	2018
24. INVESTMENT REVENUE		
Interest revenue		
Bank and investments	2 133 031	2 154 009
Interest charged on trade and other receivables	8 350 194	9 692 922
Interest received on Eskom deposits	832 937	773 865
	11 316 162	12 620 796
25. PROPERTY RATES		
Rates received		
Rates levied	39 240 818	31 606 551
Less: Income forgone (Property rates rebates)	(6 484 537)	(5 628 105)
	32 756 281	25 978 446
Valuations		
Residential	2 545 434 000	2 191 319 500
Commercial	916 893 000	959 600 000
State	263 152 000	241 892 000
Municipal	83 563 350	181 270 000
Small holdings and farms	4 354 558 625	4 210 243 725
Social	54 801 500	85 233 750
	8 218 402 475	7 869 558 975
The municipality implemented the new valuation roll effective on 1 July 2017. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.		
26. GRANTS AND SUBSIDIES PAID		
Subsidies		
Electricity Subsidies	1 018 802	663 614
Bursaries	191 772	177 819
Post Employment Medical Aid Benefits Current Service Charge	1 272 540	1 295 959
	2 483 114	2 137 392
27. GOVERNMENT GRANTS AND SUBSIDIES		
Operating grants		
Equitable share	237 511 155	223 019 000
Local Government Financial Management Grant	1 770 000	1 700 000
Expanded Public Works Programme Integrated Grant for Municipalities	1 002 000	1 444 000
	240 283 155	226 163 000
Capital grants		
Municipal Infrastructure Grant (MIG)	60 769 493	82 721 959
Integrated National Electrification Programme Grant (INEP)	9 996 622	15 178 690
Energy Efficiency Demand System Management Grant	5 000 000	-
	75 766 115	97 900 649
	316 049 270	324 063 649

Figures in Rand	2019	2018
Municipal Infrastructure Grant (MIG)		
Balance unspent at beginning of year	437 927	16 299 885
Current-year receipts	61 831 999	66 860 000
Conditions met - transferred to revenue	(60 769 493)	(82 721 958)
Conditions still to be met - transferred to liabilities	(1 500 433)	(437 927)
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Financial Management Grant (FMG)		
Current-year receipts	1 770 000	1 700 000
Conditions met - transferred to revenue	(1 770 000)	(1 700 000)
	-	-
Conditions still to be met - remain liabilities (see note 16).		

Figures in Rand	2019	2018
Land Affairs Grant		
Balance unspent at beginning of year	466 250	466 250
Conditions still to be met - remain liabilities (see note 16).		
DME-Integrated national Electrification Programme Grant		
Balance unspent at beginning of year	10 744	189 434
Current-year receipts	9 998 002	15 000 000
Conditions met - transferred to revenue	(9 996 622)	(15 178 690)
Conditions still to be met - transferred to liabilities	(12 124)	(10 744)
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Expanded Public Works Programme Integrated Grant for Municipalities (EPWP)		
Current-year receipts	1 002 000	1 444 000
Conditions met - transferred to revenue	(1 002 000)	(1 444 000)
	-	-
Conditions still to be met - remain liabilities (see note 16).		
Energy Efficiency Demand System Management Grant (EEDM)		
Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	(5 000 000)	-
	-	-
Conditions still to be met - remain liabilities (see note 16).		
COGHSTA - Development of Masakaneng		
Current-year receipts	21 771 050	-
Conditions met - transferred to revenue	(21 771 050)	-
	-	-
Conditions still to be met - remain liabilities (see note 16).		

Figures in Rand	2019	2018
28. EMPLOYEE RELATED COSTS		
Acting allowances	298 527	483 813
Basic salary	84 473 346	75 964 826
Bonus	6 794 711	5 928 487
Defined contribution plans	16 185 064	14 728 241
Housing benefits and allowances	171 325	161 711
Contribution to provision for Leave and bonus pay	5 981 146	388 805
Medical aid - company contributions	5 303 272	4 726 589
Directors' remuneration as disclosed below	6 463 833	6 475 267
Overtime payments	3 055 930	2 977 585
Post Employment Medical Aid Benefits and Long Service Leave - Current Service Charge	599 274	559 499
Post Employment Medical Aid Benefits and Long Service Leave - Interest Charge	3 956 606	4 014 403
SDL	1 037 991	921 904
Car, Cellphone and other allowances	12 002 902	9 419 065
UIF	606 955	581 490
WCA	37 076	34 816
	146 967 958	127 366 501

Included in the above balances is (unless stated otherwise) the remuneration for the following s57 municipal employees:

Figures in Rand	2019	2018
Remuneration of Municipal Manager		
Annual Remuneration	782 520	729 076
Backpay	-	7 196
Car Allowance	120 000	120 000
Cell Phone Allowance	27 400	14 400
Contributions to Medical and Pension Funds	54 539	54 681
Contribution to UIF and SDL	11 194	11 096
Annual Bonus	59 491	72 251
Contribution to Bargaining Council	105	99
N.P.A	30 000	30 000
Leave Pay	-	36 905
	1 085 249	1 075 704
Director Planning and Development		
Annual Remuneration	645 257	961 304
Car Allowance	100 000	120 000
Contribution to medical & pension Fund	12 183	72 098
Cellphone allowance	20 400	10 000
Annual Bonus	63 038	81 218
Contribution to Bargaining Council	88	99
Contribution to UIF and SDL	10 934	12 692
Back Pay	-	14 310
Leave pay	148 187	-
	1 000 087	1 271 721
Remuneration of Chief Financial Officer		
Annual Remuneration	428 766	852 716
Car Allowance	61 384	120 000
Contributions to Medical and Pension Funds	44 968	82 523
Contribution to UIF and SDL	5 997	10 947
Backpay	-	13 089
Contribution to Bargaining Council	53	99
Cellphone allowance	10 200	-
Leave pay	40 229	-
	591 597	1 079 374
Remuneration of Acting Chief Financial Officer		
Deputy CFO	62 528	-

Figures in Rand	2019	2018
Remuneration of Director of Community Services		
Annual Remuneration	702 338	647 268
Backpay	-	8 865
Car Allowance	60 000	60 000
Contributions to Medical and Pension Funds	41 530	35 910
Cellphone allowance	25 000	3 000
Termination pmt - leave	-	57 845
Contribution to UIF and SDL	10 317	10 249
Contribution to Bargaining Council 105 99	105	99
Annual Bonus	36 415	45 574
	875 705	868 810
Remuneration of Director of Corporate Services (Resigned)		
Annual Remuneration	-	61 966
Car Allowance	-	12 121
Contributions to Medical and Pension Funds	-	3 359
Termination pmt - leave	-	45 460
Annual bonus	-	36 147
Contribution to UIF and SDL	-	1 669
Contribution to Bargaining Council	-	8
NFMW	-	4 647
	-	165 377
Remuneration of Director of Corporate Services		
Annual Remuneration	799 755	238 668
Car Allowance	61 804	32 544
Contributions to Medical and Pension Funds	-	3 282
Cellphone allowance	25 000	4 000
Contribution to Bargaining Council	105	33
Contribution to UIF and SDL	10 497	-
	897 161	278 527

Figures in Rand	2019	2018
Director Executive Support		
Annual Remuneration	654 054	598 209
Car Allowance	108 000	113 463
Back Pay	-	8 912
Cellphone allowance	25 000	12 000
Contributions to Medical and Pension Funds	46 063	41 056
Annual Bonus	50 268	25 134
Contribution to UIF and SDL	10 512	8 681
Contribution to Bargaining Council	105	99
	894 002	807 554
Remuneration of Acting Municipal Manager		
Director Executive Support		
Director of Infrastructure		
Annual Remuneration	634 702	567 556
Annual Bonus	48 349	32 048
Back Pay	-	10 186
Car Allowance	222 260	220 166
Contributions to Medical and Pension Funds	75 948	76 623
Cell Phone Allowance	25 000	12 000
Contribution to UIF and SDL	10 518	9 674
Contribution to Bargaining Council	105	99
	1 016 882	928 352
29. REMUNERATION OF COUNCILLORS		
Mayor	909 155	874 060
Speaker	747 209	739 371
Executive Committee Councillors	3 349 651	4 008 792
Ordinary Councillors	17 954 385	16 574 043
Chief Whip	701 646	677 316
	23 662 046	22 873 582

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

Figures in Rand	2019	2018
Car Allowance	214 868	206 603
Annual Remuneration	497 922	464 137
Contributions to Medical and Pension Funds	144 795	138 457
Backpay	-	13 633
SDL	7 170	6 830
Other - Data, cellphone, adjustments, parking and subscriptions	44 400	44 400
	909 155	874 060
Remuneration of Speaker		
Car Allowance		
Annual Remuneration	171 894	189 033
Contributions to Medical and Pension Funds	446 909	417 398
Backpay	67 263	64 676
SDL	-	11 977
Other - Data, cellphone, adjustments, parking, subsistence allowance and subscriptions	5 695	5 424
	55 448	50 864
	747 209	739 372
Remuneration of Executive Committee		
Car Allowance	753 155	933 802
Annual Remuneration	1 896 544	2 274 997
Contributions to Medical and Pension Funds	344 309	334 675
Other - Data, cellphone, adjustments, parking, subsistence allowance and subscriptions	329 890	362 342
Backpay	-	71 499
SDL	25 752	31 477
	3 349 650	4 008 792
Remuneration of Chief Whip		
Car Allowance	161 151	162 363
Annual Remuneration	381 338	357 003
Contributions to Medical and Pension Funds	100 700	94 942
Backpay	-	9 510
Other - Data, cell phone, adjustments, parking and subscriptions	52 984	48 291
SDL	5 473	5 206
	701 646	677 315
Remuneration of Ordinary Councillors		
Car Allowance	3 844 136	3 662 317
Annual Remuneration	10 184 827	8 781 622
Contributions to Medical and Pension Funds	1 316 336	1 440 921
Back pay	-	301 384
Other - Data, cell phone, adjustments, parking and subscriptions	2 461 318	2 257 854
SDL	147 767	129 945
	17 954 384	16 574 043
30. FINANCE COSTS		
Finance leases	2 796 740	281 020

Total interest expense, calculated using the effective interest rate of 13.25% on finance leases.

Figures in Rand	2019	2018
31. DEBT IMPAIRMENT		
Contributions to debt impairment consumers	11 356 075	13 681 483
Contributions to debt impairment traffic fines	36 395 478	61 158 003
	47 751 553	74 839 486
32. BULK PURCHASES		
Electricity	73 726 891	68 601 882
33. GENERAL EXPENSES		
Administration and management fees	777 858	843 262
Advertising	374 765	721 077
Assets expensed	2 990 119	33 150 395
Auditing - Internal audit fee	1 235 580	686 851
Auditors remuneration - Office of AG	4 097 311	3 503 678
Bank charges	634 443	640 737
Bursaries	95 068	-
Conferences and seminars	6 731 675	6 141 412
Consulting and professional fees	27 359 945	30 473 236
Consumables	4 909 073	4 268 751
Electricity Water and Refuse - Municipal Consumption	8 045 728	8 186 121
Entertainment	7 255	7 815
Foreign exchange differences	-	36 687
IT expenses	8 285 729	6 131 728
Insurance	5 588 104	5 278 200
Landfill site - additional interest landfill rehabilitation provision	1 707 120	1 476 113
Motor vehicle expenses	567 586	520 958
Operation of landfill site	379 738	2 062 733
Postage and courier	67 734	207 656
Printing and stationery	2 377 222	3 459 536
Remuneration to Ward Committees	3 652 000	3 644 000
SARS Adjustments	897 886	3 241 887
Security (Guarding of municipal property)	15 088 710	11 872 459
Staff welfare	943 293	974 903
Subscriptions and membership fees	317 294	1 140 956
Telephone and fax	3 962 078	6 150 546
Town planning - Valuation costs	135 000	421 870
Travel - Subsistence reimbursement	2 992 807	4 277 836
Uniforms	456 624	439 343
	104 677 745	139 960 746

Figures in Rand	2019	2018
34. OPERATING LEASE INCOME		
Operating leases - as lessor (income)		
Minimum lease payments due		
- within one year	391 076	171 848
- in second to fifth year inclusive	1 342 476	782 821
- later than five years	1 170 972	1 024 795
	2 904 524	1 979 464
Revenue for the year included Rental income from facilities and equipment	795 745	944 246
35. OPERATING (DEFICIT)/SURPLUS		
Operating (deficit)/surplus for the year is stated after accounting for the following:		
Operating lease charges		
Plant and equipment	2 141 076	3 276 201
• Contractual amounts		
Lease rentals on operating lease - Other		
• Contractual amounts	2 630 922	4 597 140
	4 771 998	7 873 341
Gain (loss) on sale of property plant and equipment	197 765	(1 469 884)
Impairment on property, plant and equipment	261 844	630 188
Depreciation on property, plant and equipment	54 177 802	53 653 958
Employee costs	170 629 711	150 240 082

Figures in Rand	2019	2018
36. CASH GENERATED FROM OPERATIONS		
Surplus/(deficit)	40 264 551	11 809 736
Adjustments for:		
Depreciation and amortisation	54 177 802	53 653 957
Loss/(Gain) on sale of assets	(197 765)	1 469 884
Landfill site - additional interest landfill rehabilitation provision	1 707 120	1 476 113
Fair value adjustments - actuarial gains and losses	(3 947 195)	(3 562 296)
Assets expensed - non cash donations	2 869 565	29 600 110
Impairment deficit	261 844	630 188
Debt impairment	47 751 553	74 839 486
Additional service cost landfill rehabilitation	(707 228)	2 019 251
Movements in retirement benefit assets and liabilities	(1 568 897)	(799 440)
Movements in provision for long service awards	663 777	795 076
Operating lease straight lined	(1 167 869)	(130 037)
Deferred Income movement	(192 983)	(192 983)
VAT Adjustments	284 831	1 449 719
Post Employment Medical Aid Benefits and Long Service Leave	4 555 880	4 573 902
Employee costs Contribution to provision for Leave and bonus pay	5 981 146	388 805
Donations received	(41 272)	(9 573 190)
Fair Value Adjustments	(4 738 560)	(379 419)
Changes in working capital:		
Inventories	(2 916 349)	(126 190)
Receivables from exchange transactions	(2 721 128)	470 856
Consumer debtors	(15 243 984)	(17 998 046)
Receivables from non-exchange transactions	(55 454 199)	(59 746 532)
Payables from exchange transactions	6 812 612	15 733 134
VAT	157 804	6 489 123
Unspent conditional grants and receipts	22 834 934	(16 040 648)
Consumer deposits	133 952	(384 152)
	99 559 942	96 466 407

Figures in Rand	2019	2018
37. COMMITMENTS		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	37 667 254	8 116 790
Total capital commitments		
Already contracted for but not provided for	37 667 254	8 116 790
Total commitments		
Total commitments		
Authorised capital expenditure	37 667 254	8 116 790

This committed expenditure relates to property, plant and equipment and will be financed by available grants, retained surpluses, existing cash resources and funds internally generated. The commitments disclosed amounts are VAT inclusive.

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		
- in second to fifth year inclusive	12 113 666	17 502 442
	14 655 540	35 004 885
	26 769 206	52 507 327

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	3 045 325	5 352 790
- in second to fifth year inclusive	2 847 585	10 222 348
	5 892 910	15 575 138

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.

38. CONTINGENT LIABILITIES

Litigation is in the process against the municipality relating to disputes with stakeholders. The estimate of the contingent liability is +/- R17 193 375.19 (June 2019), R 16 975 263.04 (June 2018).

The litigation matters for the year under review are detailed below as follows:

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 700 409.14.

Mokgotso and others

Alleged irregular procedures; waiting for hearing date R150 000.

EMS Envirotel Energy Management (Pty) Ltd

In 2012 the Municipality appointed Maredi Telecoms & Broadcasting (Pty) Ltd to supply and install the Smart Metering in Groblersdal and Rossenekal Town. Maredi Telecom & Broadcasting (Pty) Ltd entered into a cession agreement with EMS Envirotel Energy management (Pty) Ltd, which cession was approved by the Municipality.

In April 2015, the Municipality wrote a letter informing the defendant that the contract has terminated in March 2015.

Therefore the defendant are challenging the termination of the said contract to be unlawful and they are claiming for damages as a result of breach of contract.

The total estimated claim is R12 067 629.75.

Maboe Rachidi

The Plaintiff Mr. Maboe Rachidi is suing the municipality for damages he suffered as a result of an alleged assault, the claim amounts to R 500 000.00.

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 R 225 336.30.

Mohlala Nixon

The applicant request that the matter be taken back to bargaining council under the new commissioner.

The total estimated legal fees is R 300 000.00.

Makuwa Haggie Frank/Tladi David & 2 others

On 12 September 2018, the Council took a resolution No: M18/19 -09 in that the Council appoint a Legal Representative from the Municipal Panel of Attorneys to represent the Speaker of Council and ward committee member during the civil claim lodged against them by the Plaintiff.

The total estimated legal fees is R 300 000.00

Elias Motsoaledi Local Municipality

Registration of Servitudes in favour of the municipality.

The total estimated legal fees is R 1 000 000.00.

Maredi

The municipal manager was suspended for financial misconduct.

The total estimated legal fees is R 300 000.00.

Maphochsgrone and Vlaklaagte Illegal dwellers

The Municipality appointed attorneys to obtain an eviction order against the Maphochsgrone and Vlaklaagte Illegal dwellers.

The total estimated legal fees is R 350 000.00.

YB Mashalaba & Associates Consultants CC & DR. Yandisa Bavulele Mashalaba

01 October 2014, the Municipality appointed the first defendant to establish a township at Portion 39 of Klipbank 26 JS. The defendant did not complete the project.

The total estimated claim is R 300 000.00.

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 479 000.00. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount.

Contingent asset for the year under review are detailed below as follows:

Maboe Rachidi

The municipality filed a plea and a counterclaim of R 100 000.00. It is the municipality's plea defence that on that day, the applicant was violent and he assaulted one of the traffic officers. The matter went on trial and the municipality managed to get a Default judgement and a Warrant of Execution was granted in favour of the Municipality.

The plaintiff made an urgent application praying that the Warrant of Execution be stayed and he afforded an opportunity to file a plea in respect of the counter claim.

Maredi

The municipal manager was suspended for financial misconduct.

The total estimated claim is R 320 000.00.

39. RELATED PARTIES

Relationships

Accounting Officer (Refer to accounting officer's report note 29)

Nature of related party transactions:

Remuneration of Councillors and Employee costs paid to councillors and s57 managers respectively during the year.

Related party transactions

Interest paid to (received from) related parties

		2019	2018
Councillors - Councillor remuneration		23 661 753	22 873 581
Post employment benefit plan for employees and/or other related parties	7	36 471 768	38 040 665
s57 Employees remuneration	28	6 463 833	6 475 267

40. BIDS AWARDED TO FAMILY OF EMPLOYEES IN SERVICE OF STATE

In terms of SCM regulation – state that Awards to close family members of persons in the service of the state; sub-regulation - 45. State that; The notes to the annual financial statements of a municipality or municipal entity must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

(a) the name of that person;

(b) the capacity in which that person is in the service of the state

(c) the amount of the award..

The following is a list as recorded:

No	Date of Expenditure/ Award	Supplier Name	Director's Name	Name of person in service of state & Capacity	Amount
01	03/08/2019 20/08/2018 20/08/2018 12/10/2018 30/11/2018 26/04/2019	Thabantsho Community Radio Station.	Gladys Mampuru (Board Member of TCRS)	Kenny Mampuru - Grader Operator	R556,575.00
02	25/10/2018	Kgethang Botse	Makgoale Retina Mohlala	Lekgowa David Mohlala (Department of Health)	R10,500.00
03	03/08/2018 20/08/2018 20/08/2018 29/10/2018 29/10/2018 11/02/2019 15/02/2019 02/05/2019 01/08/2019	Baupa Trading Enterprise	Precious Ratlou (Company Director)	Winter Ratlou Ward Councillor EMLM	R4,956,033.80
04	19/02/2019	Morolong Funeral	Baganang Mohlala Herman Mafiri Godfrey Mafiri Solomon Mafiri Tapson Mafiri	Mafiri Lawrence Mafeefe Manager HRate	R3000.00
05	15/02/2019	Thato Katlegong Trading.	Veronica Maepa	Mary Maepa IT Technician	R18,400.00
06	25/10/2018	Kgethang Botse	Makgoale Retina Mohlala	Lekgowa David Mohlala (Department of Health)	R10,500.00

No	Date of Expenditure/ Award	Supplier Name	Director's Name	Name of person in service of state & Capacity	Amount
07	04/04/2019	Lonah Trading	Ramatsimela Ciliah Matshela	Masodi Monty Matshela (Nurse at Department of Health)	R28,500.00
08	04/02/2019	Going Places Construction	Kganebotse Joseph Mabelane	Leah Angie Mabelane (SAPS Employee)	R24,720.00
09	30/07/2018 18/09/2018 03/06/2019	Marage and Mmakanyane Trading	Mmakanyane Rebecca Mohlala	Kodishana Barnard Mohlala (Department of Health Employee)	R127,500.00
10	10/10/2018	DB Nkambule BusinessEnterprise	Dikeledi BerthaRamphisa	Lebogang Ramphisa (Elias Motsoaledi Municipality Employee)	R127,500.00
11	20/05/2019	ATTI Polokwane	Lesego Millicent Tshivhula	Gladys Sebopela (Gauteng Department of Health Employee)	R195,200.00
12	02/05/2019	Alasca General Construction	Zacharia Lesetsa Mehlaphe	Mehlaphe Hlaole (Elias Motsoaledi Municipality Councillor)	R151,800.00

41. PRIOR PERIOD ERRORS

The following prior year error was identified and adjusted retrospectively:

1. During 2017/2018 the municipality paid the licensing department for license renewals using cheque's and the cheque's became stale after six months as they were not deposited. Correction was made to reflect the amount as part of creditors.
2. Retention was restated after resolution BT 18/19-10. This was a result of retention being incorrectly written off.
3. EPWP salaries were incorrectly classified/mapped as General expenses - Community services - developmental and outreach programme during 2017/18 financial year, the expense was correctly classified as a prior period error to employee related costs - basic salaries.
4. Transfers and Subsidies - Pensioners Medical Funds were incorrectly mapped as Employee related costs - Post Employment Medical Aid Benefits and Long Service Leave - Current Service Charge , the correction was done to correctly mapp the expenditure as per number 4 below. The transactions were accurately captured on the financial system however it was only the disclosure that was not correct.
5. In prior year, Administration expenses were incorrectly disclosed and during the current year management decided to correct it as prior period error by reclassifying/re-mapping Administration expenses to general expenses - Administration and management fees.

6. Non-Current Assets

6.1 Investment properties

The property, erf 921 ext 16 Groblersdal was sold in 2015/16 financial year for R183 000.00 and was never transferred, the stand was fair valued at R238 073.00 at the time of purchase. This caused a decrease in the carrying value in 2016/17

6.2 Work In Progress

- WIP Increased by R377 671.34. An amount of R 377 671.34 was incorrectly capitalized to High must lights instead of Electrification of magagamatala project in 2015/16 financial year.
- WIP decreased by R1 735 790.03, There was also road infrastructure asset on the Land fill site project to the value of R211 228.20. it was also brought in the Fixed asset register and the asset adjusted accordingly resulting in an increase in cost by R211 228.20. An amount of R1 422 860.00 was omitted when the project Mathula road was being unbundled and committed to the FAR in 2017/18. The project was reversed on the AM system and we brought in the omitted payment, commit to the Fixed asset register and recalculated depreciation and other values, therefore an increase project cost and carrying values.
- As a result VAT increased by R101 752.00

6.3 Other PPE

Assets not previously recorded in the Fixed Assets register and were found during verification were included in the Assets Fixed register at depreciated replacement cost as follows:

Furniture and office equipment_ R151 180.00, therefore an increase of R151 180.00
Other Machinery and Equipment_ R106385.78, therefore an increase of R88 835.78

6.4 Infrastructure Assets

There was also road infrastructure asset on the Land fill site project to the value of R211 228.20. it was also brought in the Fixed asset register and the asset adjusted accordingly resulting in an increase in cost by R211 228.20

An amount of R1 422 860.00 was omitted when the project Mathula road was being unbundled and committed to the FAR in 2017/18. The project was reversed on the AM system and we brought in the omitted payment, commit to the Fixed asset register and recalculated depreciation and other values, therefore an increase project cost and carrying values.

7. Interest and penalties on SARS PAYE was not correctly accounted for in previous financial years, a prior period error was done to correct the error by recognising the interest and penalties. General expenses - VAT Adjustments was renamed to General expenses - SARS Adjustments.

(The correction number is indicated in brackets next to the item adjusted. Brackets on amounts is for Credit adjustment and no brackets for Debit adjustment)

Statement of financial position

	June 2019	June 2018
Accumulated surplus (2) + (6.2) + (6.3) + (6.4)	-	(117 636)
Property Plant and Equipment - Other assets (6.3)	-	240 016
Property Plant and Equipment - Work in progress (6.2)	-	(1 358 119)
Property Plant and Equipment - Infrastructure (6.4)	-	1 634 019
Investment property (6)	-	(238 073)
Payables from exchange transactions - Retentions (2)	-	(261 959)
VAT receivable (2) + (6)	-	101 752
Cash and cash equivalents - Bank (1)	-	30 660
Payables from exchange transactions - Trade payables (1)	-	(30 660)
Payables from exchange transactions - Trade payables (7)	-	(1 792 168)
	-	(1 792 168)

Statement of Financial Performance

General expenses - Community services - developmental and outreach programmes (3)	-	(1 460 906)
Employee related costs - basic salary (3)	-	1 460 906
Employee related costs - Post Employment Medical Aid Benefits and Long Service Leave - Current Service Charge (4)	-	(1 295 960)
Transfers and Subsidies - Post Employment Medical Aid Benefits Current Service Charge (4)	-	1 295 960
General expenses - Administration and management fees (5)	-	843 262
Administration (5)	-	(843 262)
General expenses - SARS Adjustments (7)	-	1 792 168
	-	1 792 168

As a result of prior period errors, the cash flow June 2018 was restated to reflect accurate figures

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 noncurrent 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 instruments exposed to credit risk at year end were as follows positive for assets and negative for Liabilities:

Financial instrument	June 2019	June 2018
Receivables - From Exchange Transactions	3 778 273	1 057 145
Receivables - From Non Exchange Transactions	32 306 320	18 136 258
Consumer Debtors - From Exchange Transactions	6 223 088	11 386 544
Consumer Debtors - From Non Exchange Transactions	22 617 127	13 566 068
Deposit (Security held in advance)	13 539 055	12 706 118
Payables from exchange transactions	(89 570 131)	(83 008 431)
Consumer deposits.	(5 383 183)	(5 249 231)
Finance lease obligation	(23 093 166)	-

[The above financial instruments are measured at amortised cost.]

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

Figures in Rand	2019	2018
Opening balance	75 392 906	80 123 905
Write off by Council resolution no BT17/18-09	-	(80 123 905)
Incurred during the year	35 450 000	75 392 906
	110 842 906	75 392 906

46. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	3 682 478	3 261 119
Incurred during the year	595 640	421 359
	4 278 118	3 682 478

Analysis of expenditure awaiting condonation per age classification

Current year	595 640	421 359
Prior years	3 682 478	3 261 119
	4 278 118	3 682 478

Details of fruitless and wasteful expenditure

Fruitless and wasteful expenditure - Interest paid on late payments	To be submitted to Council in 2018/2019	883 166
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47. IRREGULAR EXPENDITURE

Opening balance - Adjusted and restated	167 142 387	84 524 414
Add: Irregular Expenditure - current year	49 832 896	82 617 973
	216 975 283	167 142 387

Amounts disclosed above for Irregular expenditure are VAT exclusive.

Analysis of expenditure awaiting write off

Current year	55 587 815	82 617 973
Prior year	167 142 387	84 524 414
	222 730 202	167 142 387

Figures in Rand	2019	2018
48. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
Electricity distribution losses		
Losses incurred - units	15 052 271	22 102 840
% loss incurred	20.000 %	29.650 %
Purchased units	(73 453 306)	(74 550 024)
Sold units	58 401 035	52 447 184
	-	-
Losses incurred - Rand value	17 995 804	14 505 057
% Losses loss incurred	25.000 %	29.810 %
Purchased units Rand value	(71 367 749)	(50 168 014)
Sold units Rand value	55 431 574	35 662 957
	-	-

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.

SALGA Fees

Prepayment for 2019/2020 year	1 725 941	
Current year subscription / fee	314 271	1 300 690
Amount paid - current year	(1 979 804)	(1 235 656)
5% discount received	(60 408)	(65 034)
	-	-

5% discount was received as a result of early payment of the invoice.

PAYE and UIF

Current year subscription / fee	24 198 337	20 812 207
Amount paid - current year	(24 198 337)	(20 812 207)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	34 906 356	32 856 576
Amount paid - current year	(34 906 356)	(32 856 576)
	-	-

VAT

VAT receivable	11 332 497	11 774 832
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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.

Figures in Rand	2019	2018
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The was no councilors arrear accounts outstanding for more than 90 days as at 30 June 2019:

Audit Fees - Auditor general:

Audit fees paid to auditor general for the 2019 year was R4 097 311 and for 2018 year was 3 503 678. There were no outstanding amounts due to Auditor General at year end.

Audit fees	4 097 311	3 503 678
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49. DEFERRED INCOME

Operating lease payments received in advance	3 666 667	3 859 650
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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.

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 R392 649.63 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.

No	Services providers	Date Approved By mm	Reason	Amount
1	Matlala MV	09/01/2019	Exceptional cases where it is impractical or impossible to follow official procurement processes	R 1 336
2	Media 24	04/04/2019	Emergency	R 63 894
3	Tiso Blackstar Group	07/03/2019	Exceptional cases where it is impractical or impossible to follow official procurement processes	R 29 270
4	Government Directory of SA	16/04/2019	Single provider, Exceptional cases where it is impractical or impossible to follow official procurement processes	R 49 611
5	Hasqvarna Forest Garden Centre	14/02/2019	Single provider	R 10 075
6	Media 24	09/01/2019	Exceptional cases where it is impractical or impossible to follow official procurement processes	R 50 715
7	TSA International	14/11/2018	Single provider	R 43 597
8	Lexis Nexis	10/09/2018	Exceptional cases where it is impractical or impossible to follow official procurement processes	R 95 532
9	Indalo Yenkosi	13/08/2018	Exceptional cases where it is impractical or impossible to follow official procurement processes	R 22 900
10	Dumitri Holdings	31/07/2018	Emergency	R 25 750
				R 392 680

51. PUBLIC OFFICE HOLDERS REMUNERATION

All Public Officers	Basic Salary	Travelling & Car Allowance	Other receipt	Skills Contract	Medical Aid	Pension Fund	Grand Total
Cllr CN Mathebe	176 788	67 998	44 400	2 556		26 608	318 349
Cllr MD Tladi	446 909	182 942	44 400	5 695		67 263	747 209
Cllr TM Phahlamohlaka	381 338	169 735	44 400	5 473	43 28	57 412	701 646
Cllr A Phatlane	397 656	181 034	44 400	5 435	24 522	59 860	712 907
Cllr AM Makweoane	176 788	70 324	44 400	2 519		26 608	320 639
Cllr AM Maloba	241 550	89 901	44 400	3 860	28 153		407 864
Cllr B Bogopa	176 788	67 998	44 400	2 517		26 608	318 310
Cllr BM Zulu	176 788	74 140	44 400	2 523		26 608	324 458





ELIAS MOTSOALEDI

LOCAL MUNICIPALITY



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