

# BA-PHALABORWA MUNICIPALITY

2015/16

## DRAFT ANNUAL REPORT



THE HOME OF MARULA AND WILDLIFE TOURISM

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

### MAYOR 'S FOREWORD



It is my singular honour to present the Annual report for the 2015/16 financial year. I wish to sincerely thank the residence, labour, business communities and our stakeholders for their unwavering support and in particular the immense contributions for the realisation and ***“Provision of quality services for community well-being and tourism development”***.

We concede with regard to performance on own funded projects that 2015/16 financial year was not the best for the Municipality. The under-performance was due to financial constraints as a result of low revenue collection. One of the highlight for the year was that the municipality managed to spend all funds allocated to Municipal Infrastructure Grant (MIG), that is, 100 % spending, quiet well before the end of the financial year.

#### **Achievements:**

- Upgraded 7.8 km of gravel streets to paving and tar;
- Connected 1295 households to the electricity network;
- 6 projects implemented EPWP way, thus creating employment opportunities;
- Created 80 jobs through municipal initiatives (EPWP);
- Able to attend and organize three (3) tourism initiatives to grow the local economy;

- Supported 101 SMMEs through Municipal Supply Chain Management processes;
- Spent MIG allocation 100%;



**Cllr PJ Shayl**

**Mayor**



## COMPONENT B: EXECUTIVE SUMMARY



### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### *The Accounting Officer's Year End Institutional Performance Overview*

The annual report has been compiled in terms of Section 46 of the Local Government Municipal System Act 32 of 2000 and Section 121 of the Local Government. Municipal finance Management Act 56 of 2003 to provide a record of the activities of the Municipality during the financial year and to reflect on the performance of the Municipality and its external service provider during the financial year.

The ICP is aligned to the National Spatial Development Perspective and the Limpopo Employment growth and Development plan focusing mainly on outcome 9 from the National Government's 12 outcomes.

There are also Strategic Agenda key performance areas to which Municipalities objectives and programmes must be aligned.

The Strategic objectives for Ba-Phalaborwa Municipality has been developed in line with the above mentioned strategies and priorities.

#### **KPA 1: SPATIAL RATIONALE**

The Key Performance Area for Spatial Rationale had 2 key performance indicators for 2015/16 financial year. The Municipality recorded good performance on 1 key performance indicator which constituted to 50% and 1 key performance indicator reflecting non-achievement which equalled 15%. The non-performance was a result of not achieving the target of processing the targeted number of Land use and development applications received. The good performance was as a result the development of supplementary valuation roll.

### **KPA 2: BASIC SERVICE DELIVERY**

The Key Performance Area for Basic Service Delivery had 7 key performance indicators during the financial year under review. The Municipality achieved performance on 5 key performance indicators which equalled to 71% and 2 key performance indicators were reflecting non-achieved which equalled to 29% . The good performance was as a result of the connection of 1295 new consumer units to electricity network and also the upgrading of 7.8 km of gravel road to tarred road. The poor performance recorded on the Basic Service Delivery KPA was due to the target not reached on the reduction of water losses in urban area by 15%.

### **KPA 3: MUNICIPAL FINANCIAL VIABILITY MANAGEMENT**

The Key Performance Area for Municipal Financial Viability Management had 10 key performance indicators during the 2015/16 financial year. The Municipality managed to record good performance on 9 key performance indicators which equalled to 90 %. The 1 non-achieved indicator was recorded which equalled to 10%. The rand value on the budget spent on MIG was fully spent. The budget planning schedule was approved by council. The municipality also managed to appoint supply chain committee structures within the planned dates. The poor performance recorded was due to low revenue collection with a target of 80% and achievement of 53%.

#### **KPA4: LOCAL ECONOMIC DEVELOPMENT**

The Key Performance Area for Local Economic Development had 5 key performance indicators during the 2015/16 financial year. The Municipality managed to record good performance in 3 key performance indicators which constituted 60% and 2 key performance indicators was reflecting non-achievement which equalled to 40%. The good performance was as a result of 101 SMME's supported by the Municipality through procurement. The Municipality managed to initiate 3 Tourism developments. The municipality managed create 80 jobs through EPWP approach.

#### **KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**

The Key Performance Area for Municipal Transformation and Institutional Development had 10 key performance indicators for the 2015/16 financial year. The municipality recorded achievement on 8 key performance indicators which constituted to 80% and 1 key performance indicator was reflecting partial achievement which equalled 10% and non-performance was recorded in 1 key performance indicator totalling 10%. The good performance recorded was as a result of the Organisational Structure reviewed and approved by council on the 28 May 2016. The skills development plan was reviewed and submitted on the 21<sup>st</sup> of April 2016. The IDP, Budget, PMS and MPAC Process plan, the reviewed IDP and the final SDBIP were processed on time and approved by council on the planned dates. All Section 56 & 57 Managers signed their performance agreements. The poor performance was as a result of less budget spend on the work skills plan.

#### **KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The Key Performance Area for Good Governance and Public Participation had 36 key performance indicators during the financial year under review. The Municipality managed to record good performance on 32 key performance indicators which constituted 89% and 4 key performance indicators indicating non-achieved performance which constituted 11%. The good performance was as a result of the conducting Community Satisfaction Survey internally. All Council, Executive Committee Members, Municipal Public Account Committee, Local Labour Forum were held according to the Corporative diary. The Municipality managed to implement 100% of IA Plan. Anti-Corruption strategy was reviewed and approved by council. 17 HIV/AIDS outreach programmes were conducted. The partially achieved performance recorded on the Good Governance and Public Participation KPA was due to the target not reached of number of OHS meeting to be held. The poor performance was recorded as a results of not achieving the target of number of IDP rep forum meetings to be held.

#### **THE OVERALL MUNICIPAL PERFORMANCE**

The municipality had 6 key performance areas with a total number of 70 key performance indicators for the 2015/16 financial year. The municipality managed to record good performance on 58 key performance indicators which constituted 83% and partially achieved on 1 indicators constituting 1%, and poor performance recorded was on 11 key performance indicators which constituted 16%.

#### **CORRECTIVE MEASURES TO IMPROVE PERFORMANCE**

##### **Capital expenditure (own funding):**

Implementation of own funded capital projects are affected on an annual basis due to low revenue collection and this is to a larger extent affected by the starting of the implementation process of projects towards the end of the financial year. Noting this challenge the municipality will start planning for implementation of capital projects in the first quarter of the financial year. The municipality will furthermore intensify the implementation of the credit control policy.

**IDP Rep Forum meeting:**

Appointment of IDP Manager to ensure IDP processes are held as per plan.

**Low revenue collection**

During the period under review the municipality did not perform well in terms of revenue collection, thus affecting implementation of own funded projects. In order to address this under performance, the municipality will further continue with the implementation of credit control policy fully and also utilizes the service of a debt collector to assist the municipality in recovering the money which owed by consumers. This strategy will further be employed throughout the 2016/17 financial year in order to continue enhancing revenue collection.

**Risk Management**

Risk Management is prioritised in the Municipality. The Risk Management policy is reviewed and approved by council on an annual basis.

The following documents has been developed by the Municipality:-

Risk Management Strategy

Risk Management Charter

The following 10 top Strategic Risks were identified:

Inadequate upgrading /refurbishment of water and Sanitation Infrastructure

Unlawful access to the network

Loss of documents

Unsustainability of LED initiatives

Ageing Infrastructure

Fraud and Corruption

Access to the server room not adequately controlled

Loss of data

Non Compliance to SCM regulations

High turnover of Staff

The progress report on the implementation on this risk is reported monthly.

The Risk Management Committee is chaired by an independent Chairperson and report to the Audit Committee on Quarterly basis.

#### **ISSUES RAISED IN THE 2014/2015 AUDITOR GENERAL'S REPORT**

- Property Plant and Equipments
- Trade and other payable from exchange transactions
- Receivable from non-exchange transactions
- Inventory
- Revenue
- Prior year opening balances and;
- Aggregation of immaterial uncorrected misstatements

In addressing the issues raised by the Auditor General, the municipality developed an action plan with time frames and responsible officials to attend to all issues raised.

 \_\_\_\_\_

**Moakamela MI**

**Acting Municipal Manager**

## 2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

Ba-Phalaborwa Municipality is a Category B municipality established in terms of Section 155 of the Constitution of the Republic of South and strives to achieve the following objects of local government (as enshrined in Section 152 of the Constitution):

- ✓ To provide democratic and accountable government for local communities;
- ✓ To ensure the provision of services to communities in a sustainable manner;
- ✓ To promote social and economic development;
- ✓ To promote a safe and healthy environment; and
- ✓ To encourage the involvement of communities and community organisations in the matters of local government.

The Municipality is situated in the North-Eastern part of South Africa in the Limpopo Province. It is one of the five local municipalities in the Mopani District family of municipalities. It has a geographical area of 7461.6 km<sup>2</sup> that constitutes more than 27% of the Mopani District. It serves as a convenient gateway to the Kruger National Park and the Greater Limpopo Transfrontier Park through the Mozambique Coast.

#### Key Challenges facing the Municipality

- Fixed Asset Register (Immovable Assets);
- Prior year opening balances;
- Property Plant and Equipments; and

In addressing the issues raised by the Auditor General, the municipality developed an action plan with time frames and responsible officials to attend to all issues raised.

## Municipal Key Objectives for 2015-16

- Promotion of local economy;
- Provision of sustainable integrated infrastructure and services;
- Sustain the environmental;
- Improve financial viability;
- Good corporate governance and public participation; and
- Attract, develop and retain best human capital.

## Population

The table below compares municipal demographics as presented by Statistics South Africa (STATS SA) in the 2001 Census and the 2011 Census.

### Municipal Demographics based on 2001 Census and 2011 Census

Census 2001		Census 2011		Difference	
Population	Households	Population	Households	Population	Households
131 098	33 529	150 637	41 115	19 539 (13%)	7 586 (18%)

Population Details									
Population 150 529									
Age	2009/10 (1996)			2010/11 (2001)			2011/12 (2011)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	5 805	6 183	<b>11 988</b>	7 516	7 676	<b>15 192</b>	9 721	9 721	<b>19 433</b>
5-9	6 260	6 447	<b>12 707</b>	7 203	7 654	<b>14 857</b>	7 536	7 848	<b>15 384</b>
10-19	6 189	6 404	<b>12 593</b>	7 345	7 490	<b>14 835</b>	7 118	7 555	<b>14 674</b>
20-24	5 313	5 276	<b>10 589</b>	6 519	7 230	<b>13 749</b>	8 132	7 995	<b>16 127</b>
25-29	5 196	4 640	<b>9 836</b>	5 924	6 390	<b>12 314</b>	6 842	7 371	<b>14 195</b>
30-34	4 073	4 171	<b>8 244</b>	4 735	5 169	<b>9 904</b>	5 392	6 016	<b>11 407</b>
35-39	3 595	3 571	<b>7 166</b>	4 169	4 654	<b>8 823</b>	4 649	5 390	<b>10 039</b>
40-44	3 155	2 833	<b>5 988</b>	3 681	3 865	<b>7 546</b>	3 886	4 395	<b>8 282</b>
45-49	2 662	2 077	<b>4 739</b>	3 419	3 041	<b>6 460</b>	3 103	3 787	<b>6 890</b>
50-54	1 995	1 280	<b>3 275</b>	2 708	2 139	<b>4 847</b>	2 691	2 852	<b>5 542</b>
55-59	1 390	1 100	<b>2 490</b>	1 783	1 212	<b>2 995</b>	2 415	2 252	<b>4 667</b>
60-64	725	890	<b>1 615</b>	1 167	1 102	<b>2 269</b>	1 660	1 620	<b>3 280</b>
65-69	542	662	<b>1 204</b>	495	837	<b>1 332</b>	957	1 206	<b>2 163</b>
70-74	299	333	<b>632</b>	420	657	<b>1 077</b>	651	957	<b>1 608</b>
75-79	201	276	<b>477</b>	223	297	<b>520</b>	339	632	<b>972</b>
80-84	92	126	<b>218</b>	128	244	<b>372</b>	203	444	<b>647</b>
85+	91	137	<b>228</b>	69	139	<b>208</b>	118	321	<b>439</b>
<b>Total</b>	<b>53 198</b>	<b>52 089</b>	<b>105 287</b>	<b>64 356</b>	<b>67 180</b>	<b>131 536</b>	<b>72 923</b>	<b>77 572</b>	<b>150 529</b>

Source: Statistics SA T1.2.2



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment rate	Proportion of households with no income	Proportion of population in low-skilled employment	HIV/AIDS prevalence	Illiterate people older than 20 years
2011/12	4012 (11.9%)	38.8%	11%	56%	25.2%	14.6%
2012/13	4012 (11.9%)	38.8%	11%	56%	25.2%	14.6%
2013/14	4012 (11.9%)	38.8%	11%	56%	25.2%	14.6%
2014/15	4012 (11.9%)	38.8%	11%	56%	25.2%	14.6%
2015/16		38.8%	11%	56%	25.2%	14.6%
						T1.2.4

\*District Prevalence rate (Source: Dept of Health 2012 and 2011 STATSA)

Overview of neighborhoods within `Name of Municipality`						
Settlements Type	Households	Population				
<b>Towns</b>						
Phalaborwa	3389	13976				
Sub-Total						
<b>Townships</b>						
Namakgale	8398	25808				
Lulekani	3843	20917				
Gravelotte	757	1098				
Sub-total						
<b>Rural Settlements</b>						
Selwane	2932	12326				
Makushane	3550	6608				
Maseke	1985	7830				
Mashishimale	3967	7002				
Majeje (incl Benfarm A, B, C, Humulani & Matikoxikaya)	5315	29226				
Sub-total						
<b>Informal Settlements</b>						
Kurhula	544					
Tshelang Gape						
Sub-total						
<b>Total</b>						
	34680	150637				
						T1.2.6

Source: Ba-Phalaborwa Municipality GPS 2012

			Natural Resources		
Major Natural Resource (Phalaborwa Area)	Major Natural Resource (Murchison area)	Relevance to Community	Major Natural Resource	Major Natural Resource	Relevance to Community
Magnetite	Mineral sand	Economic (mining)			
Copper	Antimony	Economic (mining)			
Vermiculite	Gold	Economic (mining)			
Nickel	Zinc	Economic (mining)			
Apatite	Mercury	Economic (mining)			
Zirconium	Paving and clad stones	Economic (mining)			
Titanium	Emeralds	Economic (mining)			
Uranium	Ilmenite	Economic (mining)			
					<b>T1.2.7</b>

Ba-Phalaborwa has the highest concentration of minerals deposits in the Mopani District, hence, mining is the largest economic sector in the Municipality and is also the largest employer.

### 1.3 SERVICE DELIVERY OVERVIEW

#### INTRODUCTION TO SERVICE DELIVERY

There are larger portions of rural area in Ba-Phalaborwa where currently there is no constant supply of water. The 11% households which has infrastructure but not receiving adequate water supply is at rural area. The new extension next to townships and other rural areas fall under 7% households without infrastructure.

The water purification plant was assessed by Water service authority (Mopani District) together with water board (Lepelle) for upgrading in order to meet the demand.

Upgrading of purification plant is done in phases and also the bulk supply line will be upgraded so that we have enough capacity to supply the entire Ba-phalaborwa. In Selwane the purification plant has been upgraded from 1 ML to 4.7 ML.

Although in other areas there is no infrastructure the Municipality is able to supply water by water truck.

The water quality is gradually increasing in blue drop score year to year. The challenges is the aging infrastructure which increase the bill of water supply by water board. District, water board and local municipality are busy with the strategy to address the water loss and improving on water quality.

Services	Households received services (2014/2015)	Total No of Households have access to basic services	Comment	Households received services (2015/2016)	Total No of Households have access to basic services	Comment
Water connected to yard	None	29467	District Municipality will be implementing water reticulation projects	None	29467	The project for water reticulation has started. The project targeted the entire rural area
Electricity	1190	41126	1190 Households were connected to Phalaborwa electricity network by local municipality and Eskom	1295	42316	1295 Households were connected to Phalaborwa electricity network by local municipality and Eskom
Roads	3.5km	228km	The municipality has total of 228km of surfaced roads.	7.8km	235.8	The progress made to date is 235.8km of surface road.
			T1.3.1			

## 1.4 FINANCIAL OVERVIEW

### FINANCIAL OVERVIEW

Financial Overview – 2015/16			
Details	Original Budget	Adjustment Budget	Actual
<b>Income</b>	329,905	308,510	345,070
<b>Grants</b>	149,652	169,652	167,887
<b>Sub Total</b>	479,557	478,162	512,957
Less Expenditure	469,992	458,162	436,709
<b>Net Total</b>	9,565	20,000	76,248
<b>Operating Ratios</b>			
<b>Detail</b>	<b>%</b>		

Employee Cost	27%	
Repairs & Maintenance	3%	
Finance Charges & Depreciation	30%	
T1.4.3		
<b>Total Capital Expenditure 2014/15 - 2015/16</b>		
<b>Detail</b>		
	<b>2014/15</b>	<b>2015/16</b>
Original budget	61,179	53,792
Adjustment budget	54,279	70,792
Actual	35,760	52,368
T1.4.4		

#### COMMENTS ON CAPITAL EXPENDITURE

There is no capital project implemented by Ba-Phalaborwa Local municipality. All capital Project implemented by Mopani District Municipality as water authority

#### 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

#### AUDITOR GENERAL REPORT

<b>AUDITOR GENERAL REPORT 15/16</b>
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#### STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	Yes
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	Yes
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	Yes

4	Submit draft Annual Report to Internal Audit and Auditor-General	Yes
5	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	Yes
6	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	Yes
7	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	Yes
8	Municipalities receive and start to address the Auditor General's comments	Yes
9	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	Yes
10	Audited Annual Report is made public and representation is invited	Yes
11	Oversight Committee assesses Annual Report	Yes
12	Council adopts Oversight report	Yes
13	Oversight report is made public	Yes
14	Oversight report is submitted to relevant provincial councils	Yes
T1.7.1		

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Politically, the Mayor is the head of the municipality. In managing the affairs of the municipality, the Mayor delegated some of the responsibilities to Members of the Executive Committee who lead different portfolio committees. The Heads of Portfolio committee account to the Mayor on the affairs of their respective directorates during the Executive Committee meetings, wherein, monthly reports of directorates are discussed. The Executive Committee do oversight on the portfolio committee reports and recommends to council for approval.

The Municipal Manager as the administrative head of the institution deals with the daily affairs of the municipality. All directors appointed and reporting to the Municipal Manager are responsible for the affairs of their respective departments, and on a monthly basis reports are presented to the municipal manager during senior management meetings. The recommendations of senior management are presented to their respective portfolio committees by the responsible directors in order for the portfolio committee chairpersons and members of the portfolio committees to do oversight and take ownership of the reports.

### 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Mayor is the political head in the institution. The municipality has the political management team comprising of the Mayor, Speaker and Chief Whip which meets on a regular basis to discuss the affairs of the municipality in order to give political direction.

The municipality have established portfolio committees which are led by members of the Executive Committee. The portfolio committees do oversight on all the reports that are to be processed to the executive committee meetings. The municipality further established Municipal Public Accounts Committee which probes the financial reports of the municipality and provides some recommendations and advice for implementation by council. The Audit

Committee also do oversight on performance information and provide some opinions and recommendations for implementation.

The annual report is tabled by the Mayor in council and thereafter referred to MPAC for probing. For purposes of transparency, the annual report is published in the municipal website and copies placed in all municipal buildings, to afford members of the public access and to forward their comments. The MPAC after probing, tables a report to Council for approval.

T2.1.1

POLITICAL STRUCTURE		
Structure	Name of Public Representative	Function
MAYOR	CIlr NA Sono	<ul style="list-style-type: none"> <li>✓ Presides at meetings of the executive committee; and</li> <li>✓ Performs the duties, including ceremonial functions, and exercises the powers delegated to by the Council</li> </ul>
SPEAKER	CIlr MD Maake	<ul style="list-style-type: none"> <li>✓ The Speaker of Council –</li> <li>✓ Presides at meetings of Council;</li> <li>✓ Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Municipal Systems Act;</li> <li>✓ Must ensure that the Council meet at least quarterly;</li> <li>✓ Must maintain order during meetings;</li> <li>✓ Must ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1 of the Municipal Systems Act; and</li> <li>✓ Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council.</li> </ul>
CHIEF WHIP	CIlr SL Mohlala	<ul style="list-style-type: none"> <li>✓ Responsible for political</li> </ul>

		management of Council meetings and committee meetings. Maintains party relations and ensure that political decision-making takes place timeously and diligently.
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### **COUNCILLORS**

Ba-Phalaborwa Municipality have 36 Councillors of which 18 are Ward Councillors and 18 are Proportional Councillors.

T2.1.2

### **POLITICAL DECISION-TAKING**

The municipality has developed the 2015/16 corporate calendar approved by council. The calendar directs all municipal activities including Portfolio Committee, EXCO and Council meetings. The portfolio committees which are led by members of EXCO do oversight on reports of different directorates and recommend their decisions to the Executive Committee Meeting which is chaired by the Mayor. The Executive Committee further plays oversight on the reports of portfolio committees and recommends to Council which take decisions by taking Council Resolutions. The resolutions are decisions taken by politicians for administration to implement.

During 2015/16 financial year 413 Council resolutions were taken and all resolutions were implemented.

7 Ordinary and 12 Special Council meetings were held during the 2015/16 financial year.

11 Ordinary and 12 Special Executive Committee meetings were held during the 2015/16 financial year.

T2.1.3



## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager oversees all financial matters of the institution. The Municipal Manager further has approved delegations of powers wherein all senior managers are delegated responsibilities. The financial matters are delegated to the Chief Financial Officer, Administration and Human Resources matters are delegated to the Director: Corporate Services; planning and development issues are delegated to the Director: Planning & Development; service delivery matters are delegated to the Directors: Technical Services and Community and Social Services.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE		
Structure	Name of Official	Function
Municipal Manager	Dr SS Sebashe	The head of administration and also the Accounting Officer for Ba-Phalaborwa Municipality. Provides guidance and advice on compliance financial and all legislation to the political structures, political office bearers and officials. <ul style="list-style-type: none"> <li>✓ Manages special programmes in relation to youth, gender;</li> </ul>
Director Corporate Services	Ms IM Moakamela	<ul style="list-style-type: none"> <li>✓ Renders Human Resource Management Services by Skills Development and Training Services;</li> <li>✓ Manages communication and information services to the municipality particularly IT utilization and support services;</li> <li>✓ Provides secretarial services to the Council, the Executive Committee, Section 80 committee, section 79 committees;</li> <li>✓ Provides legal advisory services with regard to policies, by-laws and labour relations as well as interpretation of legislation; and</li> </ul>

**TOP ADMINISTRATIVE STRUCTURE**

Structure	Name of Official	Function
		<ul style="list-style-type: none"> <li>✓ Provides administrative support to the department by rendering support to satellite offices and rendering messenger services and ancillary services.</li> </ul>
Director Community and Social Services	Mr H Zungu	<ul style="list-style-type: none"> <li>✓ Manages the parks and cemeteries;</li> <li>✓ Manages the waste management;</li> <li>✓ Attends to environmental management;</li> <li>✓ Manages the library services;</li> <li>✓ Lead and direct strategic objectives of the municipality in relation to health;</li> <li>✓ Regulate and manage traffic, enforce by-laws and educate the public on road safety; and</li> <li>✓ Oversee the management of licensing section and testing station.</li> </ul>
Director Technical Services	K Mpharalala	<ul style="list-style-type: none"> <li>✓ Manages engineering services by designing civil engineering structures and rendering mechanical and electrical engineering services;</li> <li>✓ Render project management services by administering contracts for all civil infrastructure projects and amongst others managing local capacity building; and</li> <li>✓ Renders building control services by administering building plans, conducting building inspections and doing minor maintenance on council buildings.</li> </ul>
Director Planning and Development	Mr Maluleke HP	<ul style="list-style-type: none"> <li>✓ Renders spatial planning for land development;</li> <li>✓ Manages land use on behalf of the municipality;</li> <li>✓ Formulates, implements</li> </ul>

**TOP ADMINISTRATIVE STRUCTURE**

Structure	Name of Official	Function
		and maintains comprehensive local economic development plans; ✓ Promotes tourism, agriculture and alleviation of poverty; ✓ Promotes trade and industry; ✓ Manages the valuation roll of the municipality; ✓ Formulates and implementation of integrated development strategy planning; ✓ Manages the municipality's performance management system; and ✓ Approves rezoning application in respect of land within the area.
Chief Financial Officer	Mr A Ndzimance (Acting)	✓ Administratively in charge of the budget of the municipality and treasury office; ✓ Assist the Municipal Manager in the administration of the municipality's bank accounts and the preparation and implementation of the municipality's budget; ✓ Renders fleet management; ✓ Manages the revenue collection of the municipality; and ✓ Renders supply chain management.

The 2015/16 approved organisational structure had 644 positions. Of the total positions, 418 were filled during the close of the year and 226 positions were vacant.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

The municipality as the third sphere of government work in corporation with other spheres of government and their related government entities. In terms of provision of services, the municipality work hand in hand with other government institutions. With regard to provision of water, the Mopani District Municipality assist local municipality to be able to provide the service as they are the WSA. Provincial departments also support the municipality. The municipal manager oversees all financial matters of the institution and the municipality further approved delegations of powers wherein all senior managers are delegated responsibilities. The financial matters are delegated to the Chief Financial Officer, Administration and Human Resources matters are delegated to the Director: Corporate Services; Planning and development issues are delegated to the Director: Planning & Development; Service delivery matters are delegated to both Director: Technical Services and Director: Community and Social Services. The Department of Corporate Governance Human Settlements and Traditional Affairs support the municipality by RDP houses allocations in line with housing needs submitted by the municipality.

Treasury supports the municipality with the management of municipal financial affairs.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.3 INTERGOVERNMENTAL RELATIONS

#### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality accounts to the public through various mechanisms as adopted by council. On a quarterly basis, the municipality conduct feedback sessions to community members through Mayoral Imbizos. Furthermore, Ward Councillors account to their respective constituencies through monthly ward committee meetings. On a quarterly basis, the municipality hold Council Meetings wherein, reports and affairs of the municipality are discussed and public members are invited to be part of the planned council meetings.

The municipality also utilizes its website to publish reports, documents etc. (As per the provision of Section 75 of the MFMA). During the probing of the annual report, the MPAC conducts public hearings and in these hearings members of the community are invited to observe the proceedings.

The municipality had an adopted process plan which guides all activities in terms of the preparation of the IDP, Budget and PMS. In line with the approved process plan by Council, the municipality conducts its quarterly Mayoral Imbizos, wherein progress in terms of the implementation of the approved IDP, Budget and PMS is given to the community and at the same time the municipality will do consultation with community members on the development and review of the IDP, Budget and PMS for the next financial year.

Through- out the financial year feedback sessions are conducted on a quarterly basis in order to account to the community on the progress made and furthermore planning for the next financial year as the processes run simultaneously.

The municipality's internal boundaries have 18 wards. Central to public participation is the Ward Councillor and Ward Committee. Ward Committee's term of office runs concurrently with the term of Council. All ward committees are effective and submit monthly reports to Office of the Speaker

T 2.4.0

## **2.4 PUBLIC MEETINGS**

### **COMMUNICATION, PARTICIPATION AND FORUMS**

The municipality has established a unit which deals with communication; the unit is also responsible for marketing the institution and communicating all activities of the municipality.

The municipality accounts to the public through various mechanisms as adopted by council. On a quarterly basis the municipality conduct feedback sessions to community members through Mayoral Imbizos. Furthermore, ward councillors accounts to their respective constituencies through monthly ward committee meetings. On a quarterly basis the

municipality hold council meetings wherein reports and affairs of the municipality are discussed and public members are invited in these council meetings.

The municipality also utilizes its website to publish reports documents etc. (As per the provision of section 75 of the MFMA). During the probing of the annual report MPAC conducts public hearing and in these hearings members of the community are invited to observe the proceedings.

Furthermore, the municipality puts complaints registers in strategic positions for members of the community and staff members to include their compliments and complaints. The municipality further employs local Radio station and newspapers to communicate with our communities.

#### **WARD COMMITTEES**

##### **Key purpose of ward committees and major issues that the ward committee has dealt with during the year**

- They serve as an official's specialised participatory structure within the Municipality area of jurisdiction
- They facilitate community between the community and the municipality
- They assist the ward councillor in identifying conditions, challenges and needs of the residence within the ward
- They disseminate information in the ward concerning municipal affairs
- They receive queries and complaints from residence in the ward concerning municipal service delivery; communicate such queries and complaints to the municipality and advice the community on the municipality's responses
- They interact with other forums and organisations on matters and policies affecting the ward
- They also serve as a mobilising agent for community actions

T2 4.3

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Rep Preparatory Forum-phase (IDP)	27/07/2015	9	6	30	Meeting served as consultative meeting and also presentation of the process plan.
Rep Analyses Forum-phase (IDP)	28/09/2015	16	7	40	Meeting served as consultative meeting and also presentation of the community needs and priorities.
Rep Strategies Forum-phase (IDP)	16/03/2015	9	7	33	Meeting served as consultative meeting and also presentation of the Strategic Plan and identified projects.
Rep Projects phase (IDP)					Meeting served as consultative meeting and also presentation of the identified projects.
Rep Integration Forum-phase (IDP)					
Rep Approval Forum-phase (IDP)	20/05/2015	20	8	29	Meeting served as report back meeting on comments by community members on the draft IDP.

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral Imbizo ( Selwana Thusong Centre)	04/09/2015	13	15	251	Shortage of water	Yes	
					Grading is only done during funerals	Yes	The municipality has developed a programme program meant for grading which was presented to all councillors and ward committee member during

							roads forum.
						Sewerage problem to be fixed	In progress MDM appointed the PSP for upgrading of Namakgale sewer at zone E and it was also presented by Director Water from MDM during the meeting of the 26th August 2016
						Need for RDP and Apollo lights in Gravelotte	Is an ongoing project which will be done by phases to cover entire Phalaborwa
						Damaged tar road from Namakgale Four Way to Maphutha Malatji Hospital	In progress The project will be implemented this financial year (2016/17). Contractor will establish the site by November 2016
						Municipality to monitor Contractors during road tarring	The plan has been develop on monitoring of all project to be implemented.
						No water at Tshubye	The meeting held on the 26th September 2016. MDM indicate that there will be elevated tank to be constructed in Makhushane.
						Lepelle Northern Water should come to the community to explain why the water shortage situation is like this.	The water awareness campaign will be conducted by BPM, Lepelle and MDM. The usage of water will be outline. Lepelle is currently supplying more than required.
Mayoral Imbizo (Namakgale Stadium)	17/11/2016	19	16	517		Need for water at Garden view	No reticulation in Garden view - letter for request is send to Mopani and



							now they have started with designs.
					Need for Apollo lights in ward 18		This is a Multi-year project and every ward will benefit
					Need for water in ward 17		Delivered pipes for reticulation. busy with designs
					Need for allocation of land for township people		Allocation of sight for township is done in terms of SPLUMA
Mayoral Imbizo <b>(Lulekani Community Hall)</b>	16/02/2016	16	10	305	Roads are in bad condition	In progress	There are 3 main roads which are challenges, and needs MEC for Public Works to prioritise them. Selwana – Eiland, Mashishimale tribal-Lebeko school and Mapikiri-Lebeko school
					Damaged road from Lulekani Post Office to Mozweni		There are road classification. BPM is responsible for streets and the road referring to was for the District but now transferred to RAAL. Notified.
Public Participation on draft IDP& Budget for Stakeholders <b>(Phalaborwa Town)</b>	04/04/2016				Ward 12 also like to have high mast light because the municipality is unable to repair the streets lights		

					Increase for cemeteries/ burial sites, what inform the increase	The fees are market related. The Mopani has to come up one standard charge in a form of policy by Mopani District Municipality. All the increase are informed by the Treasury Guideline. The municipality will be using the TLB.
					Rebate	The rebates was for 2015/16 financial year. If council see it important to rebate again a decision must be taken during council.
Public Participation on draft IDP& Budget <b>(Namakgale Ward 1,4,5,6,7)</b>	07/04/2016	10	13	156	Cemetery charge is too high.	Ba-phalaborwa municipality is the cheapest in terms of cemetery charge
					Water: controlled by Mopani, request the mayor to request Mopani to cancel the water debt. The municipality should have not wait	The municipality has previously requested water affairs to cancel water debt and now it will be for the second time to request for cancellation from Mopani. People will keep on not paying knowing that the municipality will request for cancellation again form Mopani. Therefore we request people to register for

							indigents
					Stadium Namakgale is in a bad state. Need to be rehabilitated		started with application of money for it to be rehabilitated
Public Participation on draft IDP& Budget <b>(Lulekani Ward 13,14)</b>	08/04/2016	11	13	103	Community members disrupted the meeting		
Public Participation on draft IDP& Budget <b>( Ward 03 &amp; 17)</b>	11/04/2016	9	19	160	Their urge challenges is shortage of water		Community members did not want municipality to respond to their challenges raised
Public Participation on draft IDP& Budget <b>(Ward 16 &amp; 17)</b>	12/04/2016	8	4	20	The meeting did not take place due to poor attendance		
Public Participation on draft IDP& Budget <b>(1,2,&amp; 9)</b>	13/04/2016				The meeting did not take place due to poor attendance		
Public Participation on draft IDP& Budget <b>(18)</b>	13/04/2016	9	12	97	Due to high rate of unemployment in the ward, community members are unable to pay the services.		
					Ward needs:  1. To township establishment  2. C community		Noted and will be included in the next community needs list. (Next Financial year)

					<p>Hall</p> <p>3. Internal roads are in bad condition</p> <p>4. Clinic which operate 24hrs</p> <p>5. School</p>	
					Concern: Some RDP houses are used as Spaza shop and others for rental purposes.	Noted and the Department of CoGHSTA will be notified through a letter from the municipality
Public Participation on draft IDP& Budget  <b>(Advisory Board members, traditional leaders, business sector, church leaders, SANCO, sector departments &amp; RPA)</b>	14/04/2016	9	10	12	MIG projects: Bernfarm road, Lulekani to matikoxikaya road is in bad condition and there has been several complain about the road	There are 4 roads which belongs to the province. A request has been submitted to RAL requesting permission to take over the roads in order to get funds to develop them. The roads will be budgeted for in the next financial year
					Chief allocated a land for old age home at Makhushane camp, does the land have to be registered at	The SPLUMA by-law will be addressing issues of registering of land and building regulation. All plans must be approved or

					the municipality		notify the municipality
					Streets in phalaborwa needs attention what is the municipality planning to do.		The municipality is busy patching the potholes on the roads
					Electricity domestic conventional and domestic pre-paid are the same and previous years were not the same.		The tariffs are drafts depending on NERSA approval. NERSA are busy with benchmarking with other municipality.  No VAT INCLUDED  Farms are expected to apply
Public Participation on draft IDP & Budget  (Ward 11 & 12)	14/04/2016	5	10	34	Why is the municipality include VAT on the increase of electricity charge whereas NERSA has already included VAT?		NERSA is excluding VAT
					The municipality is cutting-off electricity for those who are in debt without notifying them		Notice will be done also on the website
Public Participation on	15/04/2016				The meeting did not take		

draft IDP& Buget: <b>(Ward 10)</b>					place due to poor attendance		
Public Paticipation on draft IDP& Buget  <b>(Ward 10)</b>	15/04/2016				The meeting did not take place due to poor attendance		
Public Paticipation on draft IDP& Buget  <b>(Ward 18)</b>	17/04/2016	11	5	25	The meeting did not take place due to poor attendance		
Public Paticipation on draft IDP& Buget  <b>(Ward 8 &amp; 9)</b>	17/04/2016	4	9	56	Tarred road to Mashishimal e Tribal need to be completed		There is a letter from the Province to outline about roads in unfinished road in Ba-Phalaborwa
					The Sports Complex is too small and will not assist them – money used was supposed to be used on something else as municipality does not even support Sports activities		Sports Facilities was one of Ward 08 priorities in 2013/14 Financial Year. The size of the Sports Ground is due to what the municipality could affords.
					Community needs: 1. Community hall is needed 2. Street paving from Mashishimal e to Namakgale Hospital 3. Shortage of		To be included in the wards priority needs for the next financial year

					water 4. N eed for pavement – from Mangena to Nkhweshe 5. N eed for Culverts to gross Shokori river from Nkhweshe to Mashishimal e school 6. N eed for a Primary School 7. N eed for a Library 8. P aving to join the one in Namakgale		
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## 2.5 IDP PARTICIPATION AND ALIGNMENT

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

Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### 2.6 RISK MANAGEMENT

#### **Main Purpose:**

The purpose of Risk Management is to identify and evaluate risks which have a potential to negatively hamper the institution from achieving its goals and objectives, and coming up with mitigations to manage the risks to an acceptable level.

#### **Main Priorities:**

Implement the risk management policy and risk management strategy to ensure that identified risks are managed to an acceptable level. Organizing and serving as the secretariat of the Risk Management Committee.

#### **Major Achievements: Risk management**

To promote good governance and ensure uniform process of managing Risk Management functions in the institution, the municipality has developed the following governing documents.

- Risk Management Policy
- Risk Management Strategy
- Risk Management Charter

The Risk Management Unit conducted Risk Assessments with all departments to identify any risks that might hamper the institution from achieving its planned objectives and come up with mitigations to manage the risks.



**The following risk register were developed.**

- Strategic Risks Register
- Fraud Risks Register
- Information Technology Risk Register
- Operational Risk Register
- Project Risk Register

Progress on implementation of mitigation is reported monthly for strategic risk registers and quarterly for other risk registers.

The municipality formulated a Risk Management Committee which provides oversight to the institution risk management functions. The progress on implementation of mitigations is also discussed in the meeting. The committee is chaired by an independent person and three meetings were held in the 2015/16 financial year.

The Chairperson of the Risk Management Committee reports to the Audit Committee on the institution's Risk Management effectiveness on quarterly basis.

## Top Ten Risks: Ba-Phalaborwa Municipality

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
1	Technical Services	Inadequate upgrading/refurbishment of water and sanitation infrastructure	Lack of coordination and support from MDM over maintenance of water and sanitation infrastructure  WSP has lack of provision of certain clauses	25	a) BPM doing interim and responsive maintenance	20	1. The reviewal of SLA of WSP	Municipal Manager	30 June 2016	SLA was signed with Mopani District Municipality on the 22 April 2016.
					b)Implementation of Water service agreement between BPM & MDM c)Quarterly Water Committee forum with Lepelle and MDM		2.Continuous quarterly water meeting with Lepelle and MDM	Director: Technical Services	Quarterly	Meeting was held between Lepelle water board, DWS and BPM on the 19 January 2016. 14 March 2016 and 21-22 April 2016 to discuss water challenges, minutes available.
2	Information Technology	Unlawful access to the network (BPM domain)	Hackers/Intruders	25	There are logs but not reviewed frequently  Implementation	20	1. Maintain the current control and the logs to be reviewed monthly by ICT	ASD: ICT	30 September 2015	Firewall logs are reviewed monthly by the Assistant Director: ICT.

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
					of IT policies		staff.			
							2. Research on immediate notification of unauthorized access to the network.	ASD: ICT	30 September 2015	Firewall is used to monitor and give notice of unauthorized access to BPM domain , logs are reviewed
3	Records Management	Loss of documents  (Disappearance of documents within the municipality).	<ul style="list-style-type: none"> <li>• Staff removing documents from files.</li> <li>• Staff using incorrect file numbers.</li> <li>• Misfiling of documents</li> <li>• Documents received in</li> </ul>	25	During request of documents copies are issued to prevent loss of documents. Verification of records sent to records section.	20	1. Implementation and usage of the electronic document management system.	Assistant Director: Admin  Assistant Director: IT	30 June 2016	The tender was adjudicated and appointed, service provider to commence with the services.

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
			different offices				2. All documents should be handed in to records.	Assistant Director: Admin	30 June 2016	Memo sent to all Directorates to submit all incoming mail to Records in April 2016. EDMS service provider appointed to commence with the services soon.
							3. Centralization of faxes.	Assistant Director: Admin	30 June 2016	To be implemented together with the electronic document management system (EDMS).

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
4	Planning and Development	Unsustainability of LED initiatives	Unconducive economic environment	16	Implementation of the LED strategy	10.4	1. Continuous implementation of LED strategy	Director: Planning and Development	First Quarter	Draft LED strategy compiled, to be discussed in senior management meeting and submitted to council for approval.
5	Technical Services	Ageing infrastructure	a) Lack of infrastructure master plans  b) Insufficient funds to implement periodic maintenance and rehabilitation projects  c) Lack of historic maintenance data.	25	Implementation of responsive maintenance plan on infrastructure  Periodic maintenance plan on electricity	16.25	1. Development of master plans (storm water & underground cables).	Director: Technical Services	31 January 2016	Road Master plan has been submitted and approved
							2. Prioritization of repairs and maintenance.	Director Technical Services	31 July 2015	Continuous maintenance and repairs done as per the plan.
							3. Implementation of master plan (roads, and substation	Director Technical Services	28 February 2016	The Road rehabilitation project at Mellor street next to taxi rank was completed. Transformer has been refurbished.

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
							electricity			Contractor appointed to refurbish the Selati Substation and the project will be implemented in the 2016/17 financial year.
6	Municipal Manager's Office	Fraud and corruption	Inadequate internal controls  Non-Compliance to Legislations  Conflict of interest.	25	Implementation of Anti-fraud and corruption strategy.	16.25	1. Conduct 01 Anti-fraud Awareness campaigns per quarter.  2. Annual disclosure of interest by Councillors and senior management  3. Vetting of companies and	Municipal Manager  Municipal Manager  Municipal	Quarterly  Annually  During appointment	Awareness conducted on the 29 September 2015 and 04 December 2015 (attendance registers available). Anti-Fraud and corruption brochures were distributed to employees and clients.  All councillors and senior Management have disclosed  21 shortlisted companies and 25 shortlisted

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
							shortlisted candidates.	Manager		applicants have been submitted to state security agency for vetting and the results were received.
7	Information Technology	Access to Server room not adequately controlled.  (None compliance to IT requirement)	Insufficient security measures.	25	Access restricted to IT Personnel only.  Register in place for authorization.	16. 25	<b>1. Maintain the current control.</b>  Access restricted to IT Personnel only.	ASD: ICT	30 September 2015	Biometrics system has been installed and access restricted to ICT personnel. None ICT personnel request for access in writing through the IT office.
							2. Installation of steel door/ burglar door and biometric access control measures.	ASD: ICT	31 March 2016	Biometrics system installed at the server room.
8	Corporate Services	Loss of data	Inadequate disaster recovery	25	Uninterrupted power supply	16. 25	1. Development of Business	Director: Corporate	30 September 2015	DRP approved. Service provider onsite to

No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
			plan		(UPS) installed Off-site Back-up tapes Implementation of the approved data policy Temperature and water monitoring system installed in the server room		Continuity Plan.	Services		develop the Business Continuity Plan. BCP Policy to be taken to council for approval.
9	Budget and Treasury	Non-compliance to SCM regulations	Lack of internal controls Incorrect interpretation of SCM regulations/policies	25	SCM policy Procedure manuals Deviation register	16. 25	1. Review SCM policy 2. Implement SCM policy and procedures	CFO CFO	30 June 2015 Continuously	SCM Policy has been reviewed and approved. Implementation of the policy is done continuously and monitored.



No	Focus Area	Risk Name	Root Cause of the Risk	Inherent Risk	Current Controls	Residual Risk	Mitigations	Action Owner	Time Scale	Progress as at 30 June 2016
							3. Workshop on SCM regulation	CFO	Next F/Y	Workshop on Bid Committee was attended by all Assistant Directors in September 2015.
10	Corporate Services	High staff turnover (Key personnel)	a) Competition with other sectors b) Remoteness of the Area	20	a) Implementation of retention strategy  b) Implementation Recruitment policy	16	1. Cascade the PMS (incentive reward).	Director: Planning and Development	Next F/Y	Draft policy in place, to be tabled in senior management and labour forum.
							2. Continuous Implementation succession plan.	Director: Corporate Services	Continuously	The approved Succession Plan policy is in place and is implemented when required.
							3. Job Evaluation	Director: Corporate Services	Continuously	Job Evaluation process is facilitated by SALGA. Meetings were held on the 08 - 12 February 2016 and 23-24 May 2016 to evaluate Mopani District Municipalities Job

**Below please find a comparative summary of the municipality risk registers (*number of risks identified*).**

<b>No.</b>	<b>Description</b>	<b>2015/16</b>	<b>2016/17</b>
1.	Strategic Risk	08	10
2.	Fraud Risk Register	10	06
3.	Operational Risk Register	38	29
4.	Project Risk Register	04	04
5.	Information Technology Risk Register	05	03

## **2.7 ANTI-CORRUPTION AND FRAUD**

### **Main purpose**

Is to create an environment which is anti-fraud and corruption free.

### **Main Priorities**

Implement the Anti-fraud and corruption strategy to ensure that measures are put in place to curb fraud and corruption. Create educational awareness to employees and the public on fraud and corruption.

### **Major Achievements: Anti-Fraud and Corruption**

To promote good governance and ensure continuous commitment to the fight against fraud and corruption the Risk Management Unit has developed the below mentioned governance documents;

### **The following governing documents relating to fraud and corruption were developed.**

- Anti-Fraud and Corruption Strategy
- Fraud Prevention Plan
- Investigation Policy
- Donation policy
- Whistle blowing policy

- Access Control Policy

The Risk Assessments were conducted to identify areas where fraud and corruption can occur, Fraud Risk Register (*which includes mitigations to address the risks*) has been developed to manage the identified risks. Awareness campaigns were conducted to the employees to inform them about the dimensions of fraud and corruption. Fraud and Corruption brochures were distributed to the employees and the public.

The municipality is conducting the screening of companies before appointment; this will ensure that only legitimate companies or services providers are offered an opportunity. Shortlisted candidates are also vetted before appointment.

## 2.8 INTERNAL AUDIT

### Main Purpose:

The main purpose of the Internal Audit Unit was to help the Municipality achieve its set objectives by providing an independent objective assurance and consulting services to improve risk management, controls and governance processes using a systematic disciplined approach.

### Main Priorities:

The main priorities were to implement the Annual Internal Audit Plan, comply with the approved internal audit Charter which is consistent with the Institute of Internal Auditors Standards, Code of Ethics and Section 165 of the Municipal Finance Management Plan and support the Audit Committee and Audit Steering Committees.

### Major Achievements:

The Internal Audit unit was able to complete the Annual Audit Plan and comply with its approved Internal Audit Charter for the 2015/2016 financial year. The Combined Assurance Plan was developed and approved by the Audit Committee.

**Below is the summary of the progress by year-end**

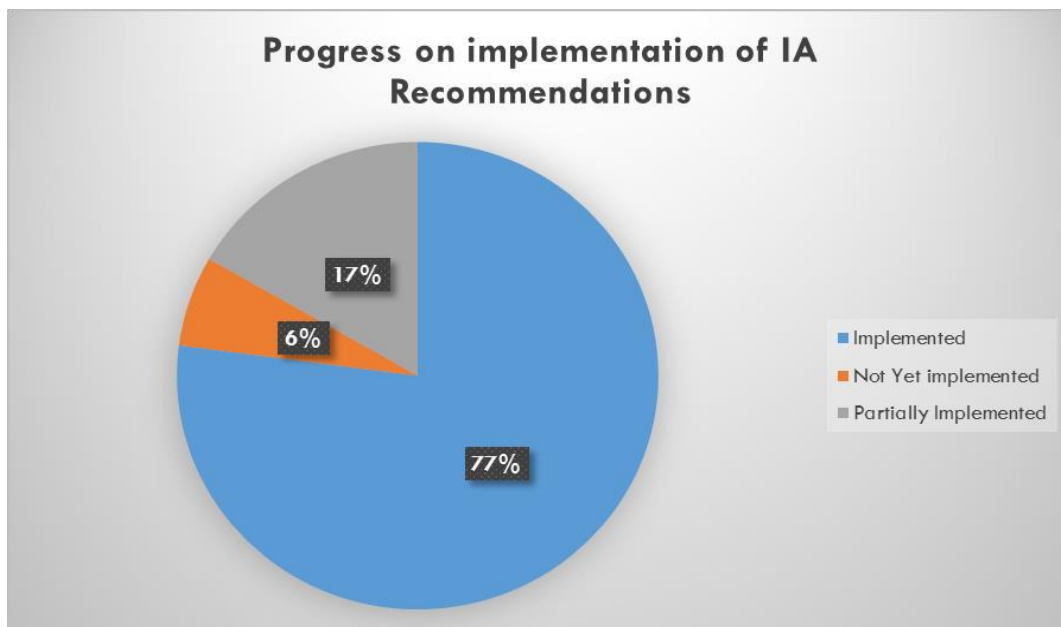
Types of Audits	Planned for the Year	Completed	Planning Stage	Execution	Reporting	Rolled Over	Remarks

<b>Risk-Based Audit</b>	6	6	0	0	0	0	Head Count Audit, Risk Management, Internal Controls Audit, Human Resource Audit and Building Plans Audit completed
<b>Compliance Audits</b>	10	10	0	0	0	0	Audit Of Performance Information, Division of Revenue, Loss Control and Budget Audits performed
<b>Financial Audits</b>	10	8	0	0	0	0	SCM Audit Part 1 & 2, Revenue, Accounts Recievables, Write-Offs, Assets Review and AFS Audit
<b>IT Audits</b>	1	1	0	0	0	0	IT General Controls Audit is completed.
<b>Consulting</b>	8	8	0	0	0	0	Advise was provided on SCM Processes on advertisement.
<b>Follow-Up Audits</b>	8	10	0	0	0	0	Follow-up on Internal Audit recommendations and AG Recommendations was done and is a continuous process on a monthly basis
<b>Total</b>	<b>43</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

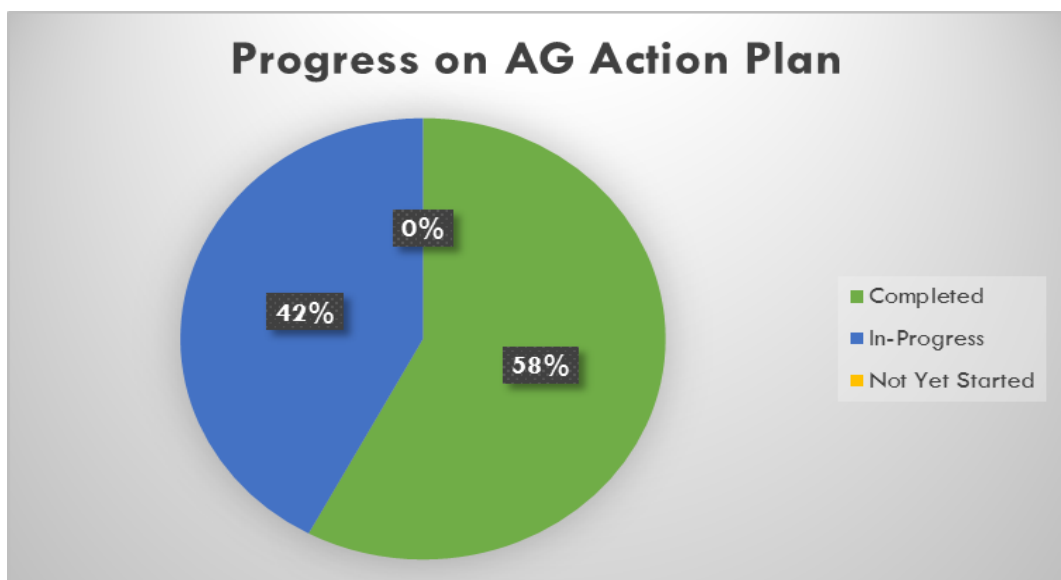
## Implementation of Internal Audit and AG Action Plan

### Internal Audit Action Plan by 30 June 2016

### Progress on implementation of IA Recommendations



### AG Action Plan by 30 June 2016



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

T2.7.1

## 2.9 SUPPLY CHAIN MANAGEMENT

### Overview of Supply Chain Management

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective. The Supply Chain Management Policy of the Municipality has been drawn up to give effect to these principles and the Preferential Procurement Legislation, and furthermore to comply with the provisions of the Local Government: Municipal Finance Management Act and its Regulations promulgated in terms thereof. The SCM policy has recently been reviewed and approved by Council to ensure that controls are tightened to combat fraud and corruption in procurement processes.

### Supply Chain Management Unit

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

## 2.10 BY-LAWS

By-laws introduced during 15/16					
Newly Developed	Revised	Public Participation conducted prior to adoption of By-Laws (Yes/no)	Dates of Public Participation	By-Laws gazette (yes/no)	Date of Publication
1	None	Yes	09/09/2016	Yes	09/09/2016

#### COMMENT ON BY-LAWS:

SPLUMA by-law developed and promulgated gazette no. 2747

T2.9.1.1

## 2.11 WEBSITES

Municipal website: content and currency of material		
Documents published on the municipality's /entity's website	Yes/No	Publishing date
Current annual and adjustment budgets and all budget related documents	Yes	30 August 2017
All current budget related policies	Yes	01 September 2014
The previous annual report (2014/15)	Yes	30 August 2016
The annual report (2014/15) published / to be published	Yes	30 August 2016
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	Yes	
All service delivery agreements (2015/16)	No	
All long term borrowing contracts (2015/16)	No	
All supply chain management contracts above a prescribed value (give value) for (2015/16)	No	
An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during (2015/16)	No	
Contracts agreed in (2015/16) to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
PPP agreements referred to in section 120 made in (2015/16)	No	
All quartely reports tabled in the council in terms of section 52 (d) during (2015/16)	yes	
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged touse their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments T2.10.1		

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

**COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:** The Municipal Website serves as dynamic interaction with the Community and public, whilst as Municipality we desired to adhere to Government regulations and legislation, thus Section 75 of MFMA and 8 Batho Pele Principles just to name few, the Municipality has established a website for the municipality that is [www.Ba-Phalaborwa.gov.za](http://www.Ba-Phalaborwa.gov.za) and [www.Phalaborwa.gov.za](http://www.Phalaborwa.gov.za) both re-root the request to same URL which is our Home Page. The Municipality comply to the 8 Batho Pele Principles specifically Access and Openess and Transperancy, Information to assit the Community and the Public, hence our content include Municipal Leadership, Financial Reports, Annual Reports, Performace Contract for Section 56/57, our address and contact, etc. The Municipal Websites is available at all times

## 2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

#### **PUBLIC SATISFACTION LEVELS**

The Municipality conducted the 2015/16 community satisfaction survey during the month of August 2015. The survey was conducted in-house. The municipality used the ward committees as field workers to conduct and gather data. A combination of both qualitative and quantitative research methodologies were used. Questionnaires were used as a tool to gather data. The sampling size was 450 questionnaires (18 questionnaires per Councillor) with a response rate of over 69%.

T2.11.1

#### **COMMENT ON SATISFACTION LEVELS:**

**In terms of the responses, community members are highly not satisfied with the provision of water services and the maintenance of roads.**

T2.11.2.2



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

### COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; housing services; and a summary of free basic services.

#### 3.1. WATER PROVISION

##### INTRODUCTION TO WATER PROVISION

Ba-Phalaborwa local Municipality is water service Provider. Municipality is responsible to do the maintenance of the infrastructure throughout Ba-Phalaborwa jurisdiction. Lepelle Water Board supply bulk water to the reservoirs. Water board is currently upgrading the water purification plant to meet the current water demand.

T3.1.1

Description	Households				
	Year- 3 Actual No.	2012/13 Actual No.	2013/14 Actual No.	2014/15 Actual No.	2015/16 Actual No.
Water: (above min level)		12251	12251	12251	12251
<i>Piped water inside dwelling</i>					
<i>Piped water inside yard (but not dwelling)</i>		17138	17186	17203	17216
<i>Using public tap (stand pipes)</i>					
<i>Other water supply (within 200m)</i>		3803	3803	3803	3803
<b>0</b>		<b>33144</b>	<b>33240</b>	<b>33257</b>	<b>33270</b>
<i>Minimum service level and above sub-total</i>					
		98%	81%	80%	77%
<i>Minimum service level and above percentage</i>					
		413	413	413	413
		235	235	235	235
Water; (below min level)		0			
<i>Using public tap (more than 200m from dwelling)</i>	<b>0</b>	<b>647</b>	<b>7227</b>	<b>8442</b>	<b>9144</b>
<i>Other water supply (more than 200m from dwelling)</i>		2%	19%	20%	21.2%

No water supply		33793	33880	33880	
Below minimum service level sub-total					
Below minimum service level percentage					
<b>Total number of households*</b>			41115	42347	43062
<b>To include informal settlements T3.1.3</b>					

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

Households – water service delivery levels below the minimum					
Households					
Description	Year-3	2012/13	2013/14	2014/15	2015/16
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>					
Total households		33792	41115	42347	43062
Households below minimum service level		647	8315	8442	9144
Proportion of households below minimum service level					
					T3.1.4

Water service policy objectives taken from IDP									
Service Objectives	Outline service targets	2013/14		2014/15			2015/16		
		Target	Actual	Target		Actual	Target		
		*previous year (iii)	(iv)	*previous year (v)	*current year (vi)	(vii)	*current year (viii)	*current Year (ix)	*following year (x)
Service indicators (i)	(ii)								
Service objectives xxx									
HH without minimum water supply	Additional households provided with minimum water supply during the year (No. of HH) without supply at year end)	500			600		1000		1500

Note; This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are universal municipal indicators. Previous year refers to the targets that were set in the 2010/11Budget/IDP

round. Current year refers to the targets set in the 2011/12 Budget/IDP round. Following year refers to the targets set in the 2012/13 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of IDPs and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a role.

T3.1.6

Employees; Water Services						
Job Level	2013/14	2014/15	2015/16			
	Employees No.	Employees No.	Post No.	Employees No.	Vacancies fulltime equivalence) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	0	1	0%
4-6	2	4	7	3	4	57%
7-9	2	6	9	6	3	33%
10-12	9	23	26	11	15	58%
13-15	4	1	51	9	42	82%
<b>Total</b>		75	94	29	65	69%

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

T3.1.7

Financial performance 2015/16; Water Services						
R`000						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total operational revenue (excluding tariffs)</b>	80,816	104,422	131,287	131,287	122,762	8,525
Expenditure						
Employees	7,428	9,704	12,503	12,503	9,580	2,923
Repairs and Maintenance	3,928	6,909	8,726	8,726	3,744	4,982
Other	10,716	795	12,475	12,475	925	11,550
<b>Total Operational Expenditure</b>	22,072	17,408	33,704	33,704	14,249	19,455
<b>Net Operational (service) expenditure</b>	58,744	87,014	97,583	97,583	108,513	- 10,930

Net expenditure to be consistent with summary table T5.1.2 in chapter5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.1.8

**COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

Ba-Phalaborwa water supply overall performance is at 80% satisfactory. We have a challenge on the ageing of infrastructure and also low water pressure where infrastructure is in place. Mopani District Municipality will be implementing water reticulation projects for entire area.

T3.1. 10

**3.2 WASTE WATER (SANITATION) PROVISION****INTRODUCTION TO SANITATION PROVISION**

Mopani District Municipality as water authority implement the sanitation projects. For 2015/2016 financial year no Sanitation projects was executed by District Municipality. The challenges is ageing infrastructure for sewer main line and reticulation. The existing sewer network is unable to accommodate the current demand from the households.

Sanitation Service Delivery Levels				
Description	2012/13	2013/14	2014/15	Households 2015/16
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b>Sanitation/sewerage; (above minimum level)</b>				
Flush toilet (connected to sewerage)	14070	14070	14070	14070
Flush toilet (with septic tank)	1090	1090	1090	1090
Chemical toilet	208	208	208	208
Pit toilet (ventilated)	10368	10368	10368	10368
Other toilet provisions (above min. service level)	28970	8070	8070	8070
	33792	33792	33792	33792
Minimum service level and above sub-total				
Minimum service level and above percentage	82%	82%	82%	82%
<b>Sanitation/sewerage; (below minimum level)</b>				
Bucket toilet				
Other toilet provisions (below min service level)	7324	7324	7324	9270
No toilet provisions	7324	7324	7324	9270
Below Minimum service level sub-total	41116	41116	41116	43062
Below Minimum service level percentage				
<b>Total Households</b>				
<b>*total number of households including informal settlements</b>				<b>T3.2.3</b>

Households; Sanitation service delivery levels below the minimum							
Description	Households				2015/16		
	Year-3	2012/13	2013/14	2014/15	Original Budget	Adjustment Budget	Actual
	Actual No.	Actual No.	Actual No.	Actual No.	Budget No.	Budget No.	No.

Formal Settlements	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Households below minimum service level Proportion of households below minimum Service level							
Informal Settlements	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Households	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Households below minimum service level Proportion of households below Minimum service level							
<b>T3.2.4</b>							

Employees: Sanitation Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0-3		0	0	0	0%
4-6		0	0	0	0%
7-9		13	12	1	0,7%
10-12		0	0	0	0%
13-15		0	0	0	0%
<b>Total</b>		<b>13</b>	<b>12</b>	<b>1</b>	<b>0,7%</b>

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

T3.2.7

Financial performance 2015/16; Sanitation Services						
R`000						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	13,177	13,973	18,406	18,406	19,576	- 1,170
Expenditure						
Employees	587	705	1,306	1,306	774	532

Repairs and Maintenance	1,306	5,262	3,410	3,410	1,136	2,274
Other	2,735	431	3,372	3,372	469	2,903
<b>Total Operational Expenditure</b>	4,628	6,398	8,088	8,088	2,379	5,709
<b>Net Operational (service) expenditure</b>	8,549	7,575	10,318	10,318	17,197	- 6,879
<b>Net expenditure to be consistent with summary table T5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual</b>						
<b>T3.2.8</b>						

Capital Expenditure 2015/16 Sanitation Services						R`000
Capital Projects	2015/16					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value	
Total All						
Project A	N/A	N/A	N/A	N/A	N/A	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)						
<b>T3.2.9</b>						

**COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:**

**No projects implemented for sanitation**

T3.2.10

**3.3 ELECTRICITY**

**INTRODUCTION TO ELECTRICITY**

The municipality is currently supplying electricity to approximately 98.3% Households of 41115 for 2016. Backlog 1.7%

T3.3.1

Electricity Service Delivery Levels Households					
Description	Year-3	2012/13	2013/14	2014/15	2015/16
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)					
Electricity (at least min. service level)		32221	39831	41021	42316
Electricity – prepaid (min. service level)		32221	39831	41021	42316
Minimum service level and above sub- total		95%			

<b>Minimum service level and above percentage</b>					
<b>Energy: (below minimum level)</b>		<b>1571</b>	<b>1284</b>	<b>94</b>	<b>746</b>
Electricity (< min. service level)					
Electricity – prepaid (<min. service level)		<b>1571</b>	<b>1284</b>	<b>94</b>	<b>746</b>
Other energy sources		<b>4.6%</b>	<b>3%</b>		<b>1.7%</b>
Below minimum service level sub-total		<b>33792</b>	<b>41115</b>	<b>41115</b>	<b>43062</b>
Below minimum service level percentage					
<b>Total number of households</b>					
					<b>T3.3.3</b>

Households – Electricity service delivery levels below the minimum							
Households							
	Year-3	2012/13	2013/14	2014/15	2015/16		
	Actual No.	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal settlements</b>							
<b>Total households</b>		<b>33792</b>	<b>41115</b>	<b>42347</b>			<b>43062</b>
Households below minimum service level		<b>1571</b>	<b>1284</b>	<b>1326</b>			<b>746</b>
Proportion of households below minimum service level							
<b>Informal settlements</b>		<b>N/A</b>	<b>N/A</b>				
<b>Total households</b>		<b>N/A</b>	<b>N/A</b>				
Households below minimum service level							
Proportion of households below minimum service level							
							<b>T3.3.4</b>

Employees; Electricity Services						
Job Level	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
<b>0-3</b>	1	1	2	1	1	50%
<b>4-6</b>	2	2	5	5	0	0%
<b>7-10</b>	11	11	13	12	1	0.7%
<b>11-13</b>	10	10	17	13	4	23%
<b>14-16</b>	7	7	21	2	19	90%

16-18	0	0				
19-20	0	0				
<b>Total</b>	<b>24</b>	<b>31</b>	<b>58</b>	<b>33</b>	<b>25</b>	<b>43%</b>

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.  
T3.3.6

Financial performance 2015/16; Electricity Services R`000						
Details	2013/14	2014/15	2015/16			Variance to Budget
	Actual		Original Budget	Adjustment Budget	Actual	
<b>Total operational revenue (excluding tariffs)</b>	<b>83,761</b>	<b>89,890</b>	<b>112,666</b>	<b>122,802</b>	<b>103,369</b>	<b>19,433</b>
Expenditure						-
Employees	6,476	9,426	10,485	9,875	9,104	771
Repairs and Maintenance	9,855	9,056	7,339	11,139	7,406	3,733
Other	72,106	90,314	106,472	98,741	89,386	9,355
<b>Total Operational Expenditure</b>	<b>88,437</b>	<b>108,797</b>	<b>124,296</b>	<b>119,755</b>	<b>105,896</b>	<b>13,859</b>
<b>Net Operational (service) expenditure</b>	<b>-4,676</b>	<b>-18,907</b>	<b>- 11,630</b>	<b>3,047</b>	<b>- 2,527</b>	<b>5,574</b>
Net expenditure to be consistent with summary table T5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual						T3.3.7

Capital Expenditure 2015/16; Electricity Services R`000						
Capital Projects	2014/15	2015/16				Total project value
		Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
<b>Total All</b>	8,247	12,600	10,600	12,129	-471	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) T3.3.8						

**COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:**

Electricity provision in the municipal area is through ESKOM with the Department of Energy as the main implementer. Phalaborwa town is the only area which is supplied by the municipality.



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

#### INTRODUCTION TO WASTE MANAGEMENT

T3.4.1

Solid waste service delivery levels				
Description	2012/13	2013/14	2014/15	2015/16
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid waste removal: (minimum level)</b>	1	1	1	
Removed at least once a week	22 553	22941	22 941	
	67%	55,79%	55,79%	
Minimum service level and above sub-total	11 240	18174	18174	
Minimum service level and above percentage	33 %	44,21%	44,21%	
<b>Solid waste removal: (below minimum level)</b>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below minimum service level sub-total				
Below minimum service level percentage				
<b>Total number of households</b>	<b>33 793</b>	<b>41115</b>	<b>41115</b>	

T3.4.2

Households: solid waste service delivery levels below the minimum						
Description	2012/13	2013/14	2014/15	2015/16		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal settlements</b>						
Total households						
Households below minimum service level						
Proportion of household below minimum service level	11 240	18174	18174			
<b>Informal settlements</b>						
Total households						
Households below minimum service level						
Proportion of household below minimum service level						

T3.4.3

**Households - Solid Waste Service Delivery Levels below the minimum**

Households

Description	2012/13	2013/14	2014/15	2015/16		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	11 240	18174				
Households below minimum service level						
Proportion of households below minimum service level	33%	44,21%	44,21%			
<b>Informal Settlements</b>						
Total households						
Households below minimum service level						
Proportion of households below minimum service level						

**Employees: Solid Waste Management Services**

Job Level	2013/14	2014/15	2015/16			
	Employees		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	No.	%
0 - 3	1	1	0	0	0	0%
4 - 6	1	4	0	0	1	0%
7 - 9	3	0	0	0	1	0%
10 - 12	7	9	0	0	0	0%
13 - 15	60	0	2	0	2	100%
16 - 18	-	47				
19 - 20	-					
<b>Total</b>	<b>72</b>	<b>61</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>100%</b>

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

**Employees: Waste Disposal and Other Services**

Job Level	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%	

0 - 3	1	1	1	1	0	0%
4 - 6	1	4	5	4	1	2%
7 - 9	3	0	1	0	1	100%
10 - 12	7	9	9	9	0	0%
13 - 15	60	0	68	50	18	26%
16 - 18	0	47				
19 - 20	0					
Total	72	61	84	64	20	24%

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

#### COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

T3.4.10

### 3.5. HOUSING

#### INTRODUCTION TO HOUSING

Ba-Phalaborwa Municipality assists the provincial Department of CoGHSTA with the facilitation of provision of housing to promote sustainable human settlements within the municipal area. The municipality thus relies on housing allocations by CoGHSTA as the competent housing authority to initiate, plan and implement programmes and projects aimed at addressing housing backlogs within the municipal area. There were no housing projects that were allocated to Ba-Phalaborwa in the 2015/16 financial year.

T3.5.1

Employees; Housing services						
Job level	2013/14	2014/15	2015/16			
	Employees No.	Employee es No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as % of total posts) %
0-3	1	0	1	1	0	0%
4-6	2	1	2	2	0	0%
7-9	3	3	5	3	2	4%
Total	0	0	8	6	2	25%

**Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as**

at 30 June. \*Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.  
T3.7.7

Financial performance 2015/16; Housing services							
Details	2013/14	2014/15	2015/16				
	Actual	Actual	Original Budget	Adjustment budget	Actual	Variance to budget	
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A	N/A	
Expenditure	N/A	N/A	N/A	N/A	N/A	N/A	
Employees	N/A	N/A	N/A	N/A	N/A	N/A	
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A	N/A	
Other	N/A	N/A	N/A	N/A	N/A	N/A	
Total operational expenditure	N/A	N/A	N/A	N/A	N/A	N/A	
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A	N/A	

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by actual  
T3.5.5

Capital expenditure; 2015/16; Housing services							R`000
Capital projects	2015/16					Total project value	
	Budget	Adjustment budget	Actual expenditure	Variance from original budget			
Total All	N/A	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A	N/A	N/A		
Project A	N/A	N/A	N/A	N/A	N/A		
Project B	N/A	N/A	N/A	N/A	N/A		
Project C	N/A	N/A	N/A	N/A	N/A		
Project D	N/A	N/A	N/A	N/A	N/A		

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)  
T3.5.6

There were no housing projects implemented by the Municipality.

#### **COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:**

Ba-Phalaborwa Municipality is one of many municipalities in the country with limited land needed for housing development initiatives. Despite the Municipality having limited contribution towards constructing houses, it plays a crucial role that includes facilitating and managing the identification of beneficiaries to benefit from housing projects, managing the control of planning initiatives and developments taking place within the municipal area as guided by the SDF and LUMS.

Since the municipality is not a housing authority, there were no human settlements projects implemented by the municipality during the 2014/15 financial year. However there were housing related projects identified (e.g. Township establishment) with the aim of promoting sustainable livelihoods and improve the spatial structure of townships in the municipal area.

T3.5.7

### **3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

#### **INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT**

The municipality has an approved indigent policy that guides activities to be followed when registering households. Indigent registration is performed yearly and assessment is conducted throughout to review and check changes in customer income.

The policy outlines categories of indigent qualification. The qualification process is done through ward councillors with all 18 wards covered.

All qualifying indigents are then captured on the municipal financial management system for benefits allocations on a monthly basis. There are challenges experienced whereby indigent's consumption exceeds the allocated services levels, due to the fact that the municipality has no system in place to disconnect when the free basic service consumption levels are exhausted. Furthermore, consumers are not collecting their municipal paid-up (free) electricity tokens from Eskom, leading to unnecessary wasteful expenditures.

T3.6.1

Free basic services to low income households										
	Number of households									
	Total	Households earnings less than R1.100 per month								
		Free basic water			Free basic sanitation		Free basic electricity		Free basic refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2012/13	41115									
2013/14	41115	41115	2886		2886		3674		2886	
2014/15	41115	41115	1119				3529		3529	
2015/16										

T3.6.3

Financial performance 2015/16; cost to municipality of free basic services delivered						
Services delivered	2013/14	2014/15	2015/16			
	Actual		Budget	Adjustment budget	Actual	Variance to budget
Water		321 036.48				
Waste water (sanitation)		756 624.96				
Electricity		129 463.00				
Waste Management (solid waste)		652 184.88				
Total						

T3.6.4

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

### COMPONENT B: ROAD TRANSPORT

#### 3.7 ROADS

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

#### INTRODUCTION TO ROAD TRANSPORT

Gravel road infrastructure				
	Kilometers			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2012/13	165	N/A	N/A	165
2013/14	555	N/A	N/A	832
2014/15	567	N/A	3.5km	1049
2015/16	562.7		7.8km	816

T3.7.2

Replace the word "tarred" with "asphalt"

Asphalted Road Infrastructure					
	Total Asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2012/13	240	N/A	N/A	N/A	
2013/14	224	N/A	3	N/A	
2014/15	227.5	3.5	N/A	N/A	
2005/16	235.3	7.8			1.4
					T3.7.3

Cost of construction/maintenance						
						R`000
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2012/13	N/A	N/A	N/A	N/A	N/A	N/A
2013/14	N/A	N/A	N/A	N/A	N/A	N/A
2014/15	N/A	N/A	N/A	N/A	N/A	N/A
2015/16	R 1m/km	R 6m	R 0.5m/km	R 6m/km	R 4.5m/km	R3.5/km
						T3.7.4

Employees: roads services						
Job level	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0-3	1	0	1	1	0	0%
4-6	2	2	2	2	0	0%
7-10	1	0	0	0	0	0%
11-13	6	7	11	7	4	36%
14-17	15	2	25	17	8	32%
<b>Total</b>	<b>1</b>	<b>0</b>	<b>43</b>	<b>37</b>	<b>7</b>	<b>16%</b>

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.  
T3.7.7

Financial performance 2015/16; Roads and Transport						
						R`000
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget

Total operational revenue (excluding tariffs)	33,740	31,535	32,423	52,423	52,571	- 148
Expenditure:						
Employees	3,282	3,818	4,244	4,448	4,432	16
Repairs & Maintenance	3,659	2,807	4,815	4,056	1,794	2,262
Other	49,151	(4,308)	43,540	39,495	24,043	15,452
Total operational expenditure	52,433	2,317	52,599	47,999	30,269	17,730
Net operational (service) expenditure	(18,693)	29,217	- 20,176	4,424	22,302	- 17,878
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.7.8						

Capital expenditure 2015/16: Road Services						R`000
Capital Projects	2015/16					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value	
Total all	23,992	40,654	37,142	13,150		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) T3.7.9						

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Development of municipal roads as required	km of municipal roads developed
2012/13	4.3km
2013/14	6km
2014/15	3.5 km
2015/16	7.8 km
T3.7.10	



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

#### INTRODUCTION TO TRANSPORT

Public transport within the Ba-Phalaborwa area of responsibility is shared as follows:

- Two short haul bus companies transporting within and between the urban zones:
  - Great North Transport
  - Megabus
- There is also a few long distance hauliers operating between Phalaborwa and Gauteng:
  - City to City
  - Trans Cape
  - Translux
- An application has also been received for bus services from Ba-Phalaborwa to Zimbabwe and return.
- Taxi services are provided by the following taxi associations:
  - Phalaborwa Taxi Association
  - Namakgale Taxi Association
  - Lulekani Taxi Association
  - Namakgale Long Distance Taxi Association.

The above mentioned transport service providers are part of the Phalaborwa Transport Forum chaired by the Directorate Community and Social Services and the Portfolio Committee Chairperson, with the Traffic section serving as the secretariat. Meetings are held on a quarterly basis, with representatives also expected to attend the Mopani District Transport Forums. These meetings are not well attended at all and a concerted effort is in progress to increase participation. All new applications are submitted to the forum and discussed before any letters of approval by Council are forwarded to the relevant issuing authority.

During the 2015/16 financial year a major problem was experienced between the taxi associations and the Megabus due to perceived problems of “customer theft and pricing.” A sub-committee from the Executive Committee met with both parties as did senior Traffic

officials and it seem that common sense has prevailed with no violence and a continued service to the residents. The process is being closely monitored by the municipality as well as the SAPS.

All busses and Taxis are subjected to Stand Licences and Ranking facilities and are checked on a continuous basis for compliance and roadworthiness.

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### INTRODUCTION TO STORMWATER DRAINAGE

The storm water canals have been constructed in various area (Lulekani street paving towards Library) all existing storm water drainage are cleaned before rainy season. The complaints due to storm water decreased comparing to previous year.

T3.9.1

### COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

#### INTRODUCTION TO PLANNING AND DEVELOPMENT

Ba-Phalaborwa Municipality has a Spatial Development Framework that is supported by the Land Use Management System and aligned to the IDP. There is also the SPLUMA which is the National Act and it has been supported by Municipal Council Resolutions. There are major unplanned developments taking place along the R71 road which is the main activity corridor that serves as a strategic access route to the nodal points Namakgale, Lulekane and Phalaborwa Town.

According to Statistics SA, Census 2011, the rural population of Mukhushane, Selwane, Mashishimale, Majeje and Maseke constitutes 65.5% of the total population within Ba-Phalaborwa Municipality. The result and the implication of the statistics is the potential for high demand of basic services, and the need for the provision of socio-economic services and facilities in the rural areas.

In order to complement the mission of the municipality, particularly on managing the environment for future sustainable economic growth, and supporting the values of the municipality, the Planning and Development Department embarked on an intense process of research and stakeholder engagement to

address land development challenges faced by the municipality in relation to property vesting, land tenure upgrading and law enforcement.

The review of the LED strategy commenced during the 2013/14 financial year, giving effect of strategic interventions and recommendations in relation to economic opportunities, strengths and weaknesses within the municipal area. The municipality is in the process of reviewing the strategy.

Ba-Phalaborwa Municipality promotes local economic empowerment through the implementation of the Expanded Public Works Program (EPWP) and the Community Works Programme (CWP) which is intended to create short term employment and alleviate poverty. The Municipality did exceptionally well with regard to SMME support, empowerment and job creation through the municipal Supply Chain Management policy amongst other Key Performance Indicators.

T3.10.0

### 3.10 PLANNING

Employees: Planning Services						
Job level	2012/14	2014/15	2015/16			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	2	0	0	0	0	0%
4-6	1	3	6	2	4	66%
7-9	0	0	1	0	1	100%
10-12	0	0	1	1	0	0%
13-15	0	1	8	3	5	63%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>63%</b>

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

T3.10.4

**Financial performance 2015/16: Planning services**

Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	170	7				
Expenditure:						
Employees	6,994	6,138				
Repairs & Maintenance	3	-				
Other	513	36,026				
Total operational expenditure	7,510	42,165				
Net operational (service) expenditure	- 7,340	(42,158)				

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

T3.10.5

**Capital expenditure 2015/16: Planning Services**

R`000

Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A

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

T3.10.6

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

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development Unit is charged with the responsibility to maximise the economic potential of municipality and enhance the resilience of micro-economic growth through creating an enabling environment for increased local economic growth, employment creation and development initiatives within the context of sustainable development.

It is responsible for the consolidation of the local economic trends and tourism development initiatives in the municipal area, and most of the service delivery recommendations are reported under Technical and Community Services such as: the provision of water, roads, electricity and waste management

Despite being a gateway to one of South Africa and the region's tourist destination, the Kruger National Park and the Great Limpopo Transfrontier Park and home to most of SA's copper and phosphate supplies (Palaborwa Copper & Foskor), the competitive strengths are yet to contribute to the upliftment of the poverty in the area particularly from the previously disadvantaged communities.

It is a fact that wildlife and scenic beauty is number one tourist activity out of the best ten activities in South Africa as it is rated by South African Tourism 2016. And is alluded that if you're looking for a Big Five safari experience in South Africa you can go to almost any province in South Africa, but the Kruger National Park remains an iconic tourism draw card. Game view is rated number one tourist activity in South Africa.

It is important to highlight that BPM is fast becoming a contender in the MICE (meetings, incentives, conferences and events) industry, given an increase in annual calendar events Marula festivities, Spring Festival, Phangweni Vibes Summer Festival and F21 Half marathont3.11.1

Economic Employment by Sector				
Jobs				
Sector	2012/13 No.	2013/14 No.	2014/15 No.	2015/16 No

Agric, forestry and fishing	1,120	1,120	1,120	Stats not available
Mining and quarrying	5,501	5,501	5,501	Stats not available
Manufacturing	3,090	3,090	3,090	Stats not available
Wholesale and retail trade	2,954	2,954	2,954	Stats not available
Finance, property, etc.	1,358	1,358	1,358	Stats not available
Govt, community and social services	6,214	6,214	6,214	Stats not available
Infrastructure services	2,139	2,139	2,139	Stats not available
<b>Total</b>				
			<b>T3.11.3</b>	

**COMMENT ON LOCAL JOB OPPORTUNITIES:**

Ba-Phalaborwa Local Municipality has always strived to create an enabling environment in its main economic sectors (tourism, mining, agriculture and manufacturing).

BPM has managed to create 1088 temporary jobs through the municipality's in-house poverty alleviation and employment programmes which are EPWP, CWP and Capital projects.

**T3.11.4**

Job Creation through EPWP* Projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2012/13	7	235
2013/14	N/A	575
2014/15	N/A	412
2015/16	N/A	218
*- Extended Public Works Programme		<b>T3.11.6</b>

Employees: Local Economic Development Services						
Job level	2013/14	2014/15	2015/16			Vacancies (as a % of total posts) %
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	
0-3	1	0	1	1	0	0%
4-6	1	1	2	1	1	50%
7-9	0	0	1	0	1	100%
<b>Total</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>

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

**T3.11.8**

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The department consists of the following divisions:

- ✓ Environmental Health
- ✓ Parks and Cemeteries
- ✓ Library Services
- ✓ Traffic and Licensing
- ✓ Mayoral/Special Programmes

Under the Mayoral/Special Programmes there are three officials who are responsible for co-ordination of the programmes, viz:

- Co-ordinator - HIV/Aids
- Co-ordinator - Youth, Gender, Disability, Children and the Elderly
- Co-ordinator - Sports, Arts and Culture

T3.52.0

### 3.12 LIBRARIES, ARCHIEVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Library Services has five (5) fully established libraries as well as a school/community library based at Lebeko High School at Mashishimale. A new school/community library is being established at Prieska Combined School at Prieska village. The services rendered include: free membership, print and electronic information resources, audio-visuals, free public internet services, inter-library loans, and free access to computers for personal use, printing and photocopying services, scanning of document user education and library outreach programmes.

Key library services priorities include improving access to library services, bridging the digital divide, enhancing collection development and management strategies, improving training and development of library staff, as well as improving and sustaining stakeholder relations. Provision of computers and user education in all the five fully established libraries; enhance stakeholder participation to increase funding, as well as improving the municipal library outreach services will help achieve these goals. The municipality has to find alternative funding mechanism for new libraries needed by the various communities.

With regard to the archives the municipality's priorities include: enhancing space capacity of the current archives to improve compliance to record keeping legislative requirements

T3.52.1

Financial performance 2015/16: Libraries, Archives, Museums, Galleries, Community Facilities, other						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	7,764	26,163	26,952	34,866	30,885	3,981
Expenditure:						
Employees	32,961	32,979	38,756	38,688	33,068	3,981
Repairs & Maintenance	3,063	1,029	5,020	4,987	1,137	3,981
Other	7,506	17,099	21,453	20,090	18,041	3,981
Total operational expenditure	43,530	51,107	65,229	63,765	52,246	11,943
Net operational (service) expenditure	-35,766	(24,945)	-38,277	- 28,899	- 21,361	- 7,962
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual						
T3.52.5						

Capital expenditure 2015/16: Libraries, Archives, Museums, Galleries, community facilities, other					
R`000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A



Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.52.6					

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

The Library Services section functions very well. There are employees who have been seconded to the Municipality by the Provincial Department of Arts and Culture. The Ba-Phalaborwa Municipality has a relationship with the Palabora Foundation with regard to strategic support to our Library Services. The Library Services Development Plan has been development, submitted to management and also approved by Council. A Library Committee has been established to enhance public participation.

T3.52.7

**3.13 CEMETORIES AND CREMATORIUMS**

**INTRODUCTION TO CEMETORIES & CREMATORIUMS**

The Municipality is able to provide graves on demand. The Municipality is faced with challenges regarding the provision of graves during public holidays due to the fact that payments for the grave has to be done in the Budget and Treasury Office, whilst the allocation is done by the Community and Social Services Department resulting into challenges in control systems.

It will become difficult for the municipality to function as the cemeteries are reaching their capacity. The graves are being vandalised since they are not fenced.

The provision of cemetery services to tribal authorities is also a challenge because communal areas are not proclaimed towns, therefore it is not a municipal function to of municipalities. However, the municipality is assisting with water provision and road grading.

Financial performance 2015/16: Cemeteries and Crematoriums R'000			
Details	2013/14	2014/15	2015/16

	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	125	155	135	135	121	14
<b>Expenditure:</b>						
Employees	669	261	498	518	291	227
Repairs & Maintenance	500	245	580	581	125	456
Other		71	456	456	218	238
	447					
<b>Total operational expenditure</b>		<b>577</b>	<b>1,534</b>	<b>1,555</b>	<b>634</b>	<b>921</b>
	1,616					
<b>Net operational (service) expenditure</b>		<b>-422</b>	<b>- 1,399</b>	<b>- 1,420</b>	<b>- 513</b>	<b>- 907</b>
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.55.5						

#### **COMMENT ON THE OVERALL PERFORMANCE OF CEMETERIES & CREMATORIUMS SERVICES:**

The Municipality is able to provide graves on demand. The Municipality is faced with challenges when it comes to the provision of graves during public holidays because the payment for the grave has to be done in Budget and Treasury Office, whilst the allocation is done by Community and Social Services department. There is a challenge when it comes to control.

There is also a problem when it comes to fencing of cemeteries as there are no funds. Graves are being vandalized.

The provision of cemetery services to tribal authorities is also a challenge as it is not the function of municipalities. However we assist by providing water and grading.

A new cemetery has been established in Lulekani.

T3.55.7

## COMPONENT E: ENVIRONMENTAL PROTECTION

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

#### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Environmental and Bio-diversity Management is fragmented within the Municipality with all Directorates being responsible for their own special talents and key performance Areas. It is and has been for some time a strategic intervention of this Municipality to form an Environmental Unit with overall responsibility and coordinating functions. Due to the current unstable financial situation and austerity measures this could however not be implemented but remains a target.

There is also no Environmental Management Plan and Framework in place for the same reasons and it is now obvious that in terms of legislation and processes prevalent we must now plea with the Provincial and National authorities for assistance.

This institution has for 10 years been an active player in the cleanest town and later the Greenest town competition strategy. We have always either been first or second in our district as well as province and have also placed highly in the National competition. This highlights the importance attached to the Environment and Bio-Diversity which has been mainstreamed to all sections and is now included in their operational and maintenance key performance areas.

The area has a number of well controlled parks with lawns and cultivated gardens as well as a number of Parks that have been left in a semi wild state to propagate the green lung effect and maintain open areas. These areas are receiving limited control such as grass cutting and alien plant control. The last scenario present is a number of parks and open areas that are not controlled and left to be wild to preserve the bio-diversity. There are however major challenges with this strategy which include deforestation, poaching and land invasion. The lack of awareness with regards Traditional Authority owned land and the misuse thereof is of great concern with strategies to combat this in the process of formulation.

The concept of only developing “dry” parks that do not require much water or maintenance has also been accepted by this institution as the norm.

T3.60.1

## COMPONENT F: HEALTH

### 3.15 HEALTH INSPECTION, FOOD AND ABBATOIR LICENCING AND INSPECTION, ETC

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

Mopani District Municipality is in the process of transferring the Environmental Health Practitioner Services from local municipalities to the District Municipalities. At this stage this function are “shared” between the local municipality and the Provincial department and officers.

T3.64.1

## COMPONENT G: SECURITY AND SAFETY

The Municipality is represented on the Cluster and JOC meetings that are convened by Phalaborwa SAPS. Applications for marches by the Public are also handled by the Municipality where approval is given after having a meeting with SAPS.

### 3.16 OTHER (DISASTER MANAGEMENT)

#### **Disaster Management Function:**

Ensure community well-being.

#### **Main Purpose:**

To administer a comprehensive disaster management program in partnership with all local and neighboring stakeholders outside the municipal jurisdiction aimed at saving lives, protection of properties, safeguarding government’s properties, operating emergency and disaster units, staff composition, administration and the protection of the environment.

#### **Main Priorities:**

Developing a Municipal Disaster Resistant area.

## Major Achievements:

## Constraints Experienced:

Employees: Disaster management, Animal Licensing and control, control of public						
Job level	2013/14	2014/15	2015/16			
Job Level	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	2	1	1	50%
4-6	11	10	12	10	2	17%
7-9	22	20	28	17	11	39%
10-12	1	0	6	3	3	50%
Total	1	1	50	34	16	32%

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

T3.66.4

## COMPONENT H: SPORT AND RECREATION

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

### INTRODUCTION TO SPORT AND RECREATION

Sport and Recreation is not a Section per se, as the unit consists of only one employee who is a Co-ordinator responsible for Mayoral Programmes. There are also no statistics, but calendar events such as Mayoral Marathon, etc. were held during the financial year. The Sport Council, which caters for all sporting codes, is in place.

T3.68.0

### 3.17 SPORT AND RECREATION

Capital expenditure 2015/16: Sport and Recreation					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A

Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
<b>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</b>					
<b>T3.68.5</b>					

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

Due to financial constraints, the Municipality does not have a corporate policy office. Policies are developed by the various departments and quality assured by the legal unit with subsequent approval by Council. A master file containing all the policies is maintained by the Corporate Services Department.

T3.69.0

### 3.18 EXECUTIVE AND COUNCIL

The Ba-Phalaborwa Municipal Council is headed by the Speaker and this is the legislative authority of the Municipality. The Executive committee is headed by the Mayor, assisted by the Municipal Manager. The appointed Directors deal with the day-to-day running of their respective directorates. The roles and responsibility of Politicians and the Administration are clearly defined in the approved delegation of Authority. The Development of the delegation of Authority is reviewed and approved yearly by Council.

Employees: The Executive and Council						
Job level	2013/14	2014/15	2015/16			
Job Level	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0-3		5	6	6	0	100%
4-6		12	21	14	7	33%
7-9		13	21	8	13	62%
10-12			4	3	1	25%
13-14			31	21	10	32%
<b>Total</b>		<b>55</b>	<b>83</b>	<b>52</b>	<b>31</b>	<b>37%</b>

### 3.19 FINANCIAL SERVICES

Debt recovery											
Details of the types of account raised and recovered	2012/13		2013/14			2014/15			2015/16		
	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in year	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that were collected %	Billed in year	Estimated outturn for accounts billed in year	Billed in year	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that were collected %
Property Rates	60,257,421	55,000,000	39%	57,239	65,100	51%	65,594	70,634	68,106	100,165	29%
Electricity - B	4,388,741	6,000,000	7%								
Electricity - C	50,470,529	69,000,000	77%	83,082	92,002	79%	90,396	95,327	94,111	105,666	70%
Water - B	0	0		0	0	0	0	0	0	0	
Water - C	0	0		0	0	0	0	0	0	0	
Sanitation	0	0		0	0	0	0	0	0	0	
Refuse	9,122,953	7,500,000	39%	10,422	10,768	41%	11,801	11,337	13,789	15,974	39%
Other	0	0		0	0						

B-Basic, C-Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them T3.70.2

### 3.20 HUMAN RESOURCE SERVICES

Employees: Financial Services						
Job level	2013/14	2014/15	2015/16			
Job Level	Employees No.	Employee s No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3		3	6	5	1	17%
4-6		24	30	24	6	0,2%
7-9		8	17	11	6	35%
10-12		7	10	2	8	8%
13-15		0	1	0	1	100%
Total		42	64	42	22	34%
T3.70.4						

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

1. The Human Resources was able to recruit twenty five employees over and above the target in terms of the 2015/16 SDBIP.
2. The Human Resources was able to develop and submit the Workplace Skills Plan in line with the LGSETA time frames. A total number of forty training interventions were implemented.  
  
The Municipality also has a Bursary Scheme which has helped to capacitate Municipal employees. A total number of twenty six employees were awarded Bursaries.
3. There was a total number of eight injuries on duty reported in the 2015/16 financial year with six minor and two serious injuries.
4. The Local labour forum is functional and deals with matters of mutual interest.
5. The 2015/16 Organogram was reviewed and approved on the 29 May 2015 and further on the 29 February 2016.

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

- ✓ The Human Resource Section deals with the Following:
- ✓ Recruitment, Selection and Benefits;



**Employees: Human Resource Services**

Job level	2013/14	2014/15	2015/16			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	0	0%
4-6	0	2	4	2	2	50%
7-9	0	4	5	4	1	2%
10-12	0	1	1	1	0	0%
<b>TOTAL</b>		<b>8</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>27%</b>
<b>T3.71.4</b>						

- ✓ Skills Development;
- ✓ Occupational Health and Safety;
- ✓ Labour Relations;
- ✓ Organisational Development; and
- ✓ Employee Wellness.

**Financial performance 2015/16: Human Resource Services**

Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)			-	-	-	-
Expenditure:						
Other Employees	1,197	6,569	3,980	3,955	3,447	508
Repairs & Maintenance	2	-	74	74	-	74
Other	5,983	7,035	12,099	11,461	4,138	7,323
<b>Total operational expenditure</b>	<b>7,181</b>	<b>13,603</b>	<b>16,153</b>	<b>15,490</b>	<b>7,585</b>	<b>7,905</b>
<b>Net operational (service) expenditure</b>	<b>-7,181</b>	<b>(13,603)</b>	<b>- 16,153</b>	<b>- 15,490</b>	<b>7,585</b>	<b>7,905</b>
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual						
<b>T3.71.5</b>						

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

The Human Resources services has performed well in terms of skills development in that the 2015/16 Workplace Skills was submitted in compliance to the time frame of submission, the same was implemented in that a total number of forty training interventions were implemented at the cost of R2 069 462,18 of the total budget 2,8m.

The labour relations is quite well in that the Local Labour Forum sat on a monthly basis to discuss issues of mutual interest. However, a conflict arose during the review of the 2016/17 Organogram where the labour component embarked on an industrial strike in the financial year 2015/16. The Organogram for 2015/16 was approved however, the municipality did not perform very well in terms of recruitment due to financial constraints.

However, in terms of the 2015/16 SDBIP, the municipality achieved its target in that of the 20 positions to be filled in terms of the plan, 25 positions were filled in the 2015/16 financial year.

The Municipality also did well in terms of Occupational health and Safety as there were no serious injuries during the financial year 2015/16.

3.72.1

**SERVICE STATISTICS FOR ICT SERVICES**

- Provide ICT support to the Municipality;
- Manage of Information Security;
- Provide effective maintenance and support services;
- Coordinate of network connectivity;
- Provide effective use of systems and Website; and
- Distribution and allocation of IT equipment.

T3.72.2

Employees: ICT Services						
Job level	2013/14	2014/15	2015/16			
	Employees No.	Employees No	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	0	0%
4-6	3	2	3	2	1	33%
7-9	0	0	1	0	1	100%

Total	12	9	5	3	2	0,4%
Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.						
T3.72.4						

Financial performance 2015/16: ICT Services						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)						
Expenditure:						
Other Employees	1,147	1,440	1,600	1,556	1,587	- 31
Repairs & Maintenance	6	1	391	191	447	- 256
Other	442	292	578	553	290	263
Total operational expenditure	1,595	1,734	2,569	2,300	2,324	- 24
Net operational (service) expenditure	-1,595	(1,734)	- 2,569	- 2,300	- 2,324	24
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual						
T3.72.5						

Capital expenditure 2015/16: ICT Services					
R`000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	3,500	2,000	1,500	0,5	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.72.6					

### 3.21 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT unit is enabling unit in every organisation, that means it support all the unit in the organisation to be effective and efficient for the achieve the objectives, therefore the ICT unit in the municipality was able to :

- Install the firewall for network Security to curb the cyber threats on the Municipal Network
- Install LAN at Flea Market
- Fix Plotter Printer to print Maps from GIS systems
- Provide laptops and printer municipal official
- Conduct Business impact Analysis in order to have clear picture of risks relating to Disaster faces by the Municipality
- Attend to all call logged at our help desk
- 5% down time for E-mail and Internet
- Outlook Web Application enabled
- 95 % Virus Free environment
- 100% Web content update
- On-line statement for water, rates and Taxes

T3.72.7

### 3.22 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

#### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Municipality has established a Risk Management Committee, identify risks, mitigate them and ensure that internal controls are strengthened, this is in line with the MFMA section 62(i) (c). The Municipality has appointed Risk officer as part of maintaining effective, efficient and transparent system of financial and risk management.

T3.73.1

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

Offer General Legal advisory services and labour relations

Compliance support

T3.73.2

Financial performance 2015/16: Property; legal; Risk Management and Procurement Services						
R`000						
Details	2013/14	2014/15	2015/16			
	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
<u>Total operational revenue (excluding tariffs)</u>	-	-	-	-	-	-
<u>Expenditure:</u>	-	-	-	-	-	-
<u>Other Employees</u>	<u>3,971</u>	<u>6,658</u>				
<u>Repairs &amp; Maintenance</u>	<u>1</u>	<u>0</u>				
<u>Other</u>	<u>428</u>	<u>19,297</u>				
<u>Total operational expenditure</u>	<u>4400</u>	<u>25,955</u>				
<u>Net operational (service) expenditure</u>	<u>(4400)</u>	<u>(25,955)</u>				
<u>Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual T3.73.5</u>						

Capital expenditure 2014/15: Property; legal; Risk Management and Procurement Services					
R`000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
<u>Total all</u>					
<u>Project A</u>					
<u>Project B</u>					
<u>Project C</u>					
<u>Project D</u>					
<u>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</u>					
<u>T3.73.6</u>					

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

It is a requirement in terms of the Municipal Systems Act to review the organisational structure on a yearly basis in order to align it with our IDP for the purpose of keeping necessary resources to use for the delivery of services.

In terms of the approved organisational structure for the financial year 2015/16, the structure reflected a total number of 688 positions out of which 421 positions were filled.

#### TURNOVER

A total number of 37 employees left the organisation in the financial year 2015/16 as follows:-

Resignations	= 15 employees resigned in the financial year
Early retirement:	= 09 employees opted for early retirement
Normal retirement	=09 employees attained their normal retirement and exited the employ
Death exit	= 4 employees terminated the employ due to death
Contract expiry	= 0 employee's contract expired

T4.0.1

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

##### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees						
	2013/14		2014/15		2015/16		
	No. Employees	No. Approved	No. of employees	No. Approved	No. of employees	No. of vacancies	% of vacancies

		posts		posts			
Water	40	78	40	107	42	65	60%
Legal	1	2	2	2	2	0	0%
Electricity	34	60	36	58	33	25	43%
Waste Management	78	86	67	86	69	17	20%
Housing	5	8	4	8	6	2	25%
Finance	34	40	20	64	42	22	34%
Roads	29	64	43	43	37	7	16%
ICT	3	39	31	5	3	2	0,4%
Planning	9	4	3	10	5	5	50%
Local Economic Development	2	10	6	4	2	2	50%
Library	6	4	1	23	12	11	48%
Community & social services (parks & Cemetery)	62	22	11	95	56	39	41%
Disaster Management	3	89	51	50	34	16	32%
Health	-	5	3	39	20	19	49%
Security & safety (Traffic & licensing)	36	-	-	-			
Special programs	3	41	32				
Human Resources	8	3	3	11	8	3	27%
Executive and Council support	56	11	8	83	52	31	37%
<b>Totals</b>	<b>409</b>	<b>78</b>	<b>57</b>	<b>688</b>	<b>421</b>	<b>267</b>	<b>39%</b>
Headings follow the order of services as set out in Chapter 3. Service totals should equate to those included in the chapter 3 employee schedules. Employee and approved posts numbers are as at 30 June.							

Vacancy Rate: 2015/16			
Designation	*Total approved posts  No.	*Variances (Total time that vacancies exist using fulltime equivalents)  No.	*Variances (as a proportion of total posts in each category)  %
Municipal Manager	1	0	0%
CFO	1	1	100%

Other S57 Managers (excluding Finance Posts)	4	0	0%
Other S57 Managers (Finance posts)	0	0	0%
Municipal Police	0	0	0%
Fire Fighters	0	0	0%
Senior Management: Levels 1-3 (excluding Finance Posts)	21	16	76%
Senior Management: Levels 1-3 (Finance Posts)	5	0	0%
Highly skilled supervision: Levels 4-6 (excluding Finance posts)	70	47	67%
Highly skilled supervision: Levels 4-6 (Finance posts)	28	22	79%
<b>Total</b>	<b>130</b>	<b>86</b>	<b>66%</b>

Note: \*for posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

#### T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over Rate*
2012/13	55	46	0,8%
2013/14	22	34	1,5%
2014/15	29	30	0,7%
2015/16	25	24	0,9%

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

#### T4.1.3

#### COMMENT ON VACANCIES AND TURNOVER:

The vacancy rate is high as a result of the austerity measures on appointment. At the same time, the municipality has experienced almost an equal number of appointments and exists, as a result the appointments made could not make any difference in reducing the vacancy rate.

### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Ba-Phalaborwa municipality acknowledges that the employees are its most important assets, without which we will not be able to achieve our objectives. The needs of the IDP dictate the workforce of the municipality. As a result, the municipality workforce is managed through the review of the organogram on an annual basis in order to align with the functions of the municipality in achieving its strategic objectives.

#### T4.2.0



## 4.2 POLICIES

HR Policies & Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action			
2	Code of Conduct for employees		✓	Resolution no. 236/16
3	Delegations, Authorisation & Responsibility		26 May 2016	No.245/16
4	Overtime Policy		14 December 2016	No. 495/16
5	Housing accommodation policy		14 December 2016	No. 492/16
6	Cell phone and 3g card policy		30 September 2014	No. 355/16
7	Internal Communication policy		30 September 2015	No.353/15
8	Funeral Policy		14 December 2016	No.493/16
9	Disciplinary Code and Procedures		26 May 16	No.236/16
10	Essential Services			
11	Employee Assistance / Wellness		28 September 2009	No.153/09
12	Employment Equity		January 2010	No.56/10
13	Staff Provisioning policy		27 June 2014	No. 220/14
14	Vehicle Transport policy		28 August 2007	No. 177/07
15	Induction Manual		30 September 2015	
16	Grievance Procedures			
17	HIV/Aids			
18	Training and Development policy		30 July 2015	271/15
19	Job satisfaction survey	✓		356/15
20	Leave policy		November 2013	283/13
21	Occupational Health and Safety policy		May 2013	114/13
22	Organisational Rights			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments			
25	Sexual Harassment			
26	Skills Development( Bursary Policy)		✓	58/16
27	Experiential learning policy		✓	56/16
28	Smoking			
29	Uniforms and Protective Clothing		✓	220/16
30	Information Technology			
31	Succession Planning policy			
32	Human Resources Procedure Manual			
33	Induction Manual policy		✓	345/15
34	Overtime policy		✓	57/16
35	Acting on higher position	✓		59/16
36	Exit policy	✓		221/16
37	Employee Transfer policy	✓		355/15

The municipality approved ten policies that enables its functioning in terms of the MSA. Of the total ten policies, four of them were newly developed policies whereas six of them were reviewed. The policies were reviewed as directed by the SDBIP on the total of policies to be reviewed and were above the target of eight policies within a financial year.

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	Injury leave taken Days	Employees using injury leave	Proportion employees using sick leave %	Average injury leave per employee Days	Total estimated cost R`000
Required basic medical attention only	116	8	0,06%		
Temporary total disablement	66	1	0,01%		
Permanent disablement	0	0	0%		
Fatal	0	0	0%		
Fatal	0	0	0%		
<b>Total</b>	<b>182</b>	<b>9</b>	<b>0,04%</b>		

**T4.3.1**

Number of days and cost of sick leave (excluding injuries on duty)						
Designations	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per employees Days	Estimated cost R`000
Lower skilled (level 1-2)	567	8	67	147		
Skilled (level 3-5)	124	3	21	72		
Highly skilled production (levels 6-8)	685	13	57	103		
Highly skilled supervision (level 9-12)	449	12	46	72		
Senior management (levels 13-15)	42	4	11	21		
MM & S57	23	2	4	6		
<b>Total</b>	<b>1890</b>	<b>42</b>	<b>206</b>	<b>421</b>		

#### COMMENT ON INJURY AND SICK LEAVE:

The municipality has proven to be managing injuries on duty in compliance to the Occupational Health and Safety Act. This is evidenced by the less number of injuries on duty reported which is 8 minor injuries and 1 temporary total disablement who was hospitalised for 66 days.

T4.3.4

Number and period of suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of	Date finalized

				case and reasons why not finalized	
Chief Officer	Financial	A range of finance related misconduct	May 2015	Employee resigned	September 2015
					T4.3.5

#### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality developed the Workplace Skills Plan in terms of the Skills development Act and submitted to the LGSETA as per the requirement. In terms of the Workplace Skills Plan, a total number of eighty seven training interventions were planned and the municipality was able to implement forty training interventions.

Of the total budget of R2,8m, the municipality was able to spend R2 069 462,18.

T4.5.0

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management	Gender	Employees in post as at 30 June 2016	Number of skilled employees required and actual as at 30 June 2016											
			No.	Learnerships			Skills programme & other short courses			Other forms of training			Total	
			Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target
Municipal Manager	M	1	0	0	0	0	0	0	1	1	1	1	1	1
Acting Chief Financial Officer	M	1	0	0	0	0	0	0	1	1	1	1	1	1
Director: Corporate Services	F	1	1	1	1	1	0	1	1	1	1	1	1	1
Director	M	1	0	0	0	0	0	0	0	0	0	0	0	0

Director: Community & Social Services														
Director: Technical Services	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Director: Planning and Development	M	1	1	1	1	0	0	0	0	0	0	0	0	0
Sub Total		5	2	2	2	1	0	1	3	3	3	3	3	3
Total														

Financial competency development: progress report						
Description	A Total number of officials employed by municipality (Regulation 14 (4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: competency assessment completed for a and B (regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(f))	Consolidated: Total Number of officials that meet prescribed competency levels (Regulation 14(4)(a))
Financial officials	23	0	23	0	0	7
Accounting officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	5	0	5	3	5	2
Any other financial officials	10	-	10	0	0	10
Supply Chain Management officials	6	0	8	0	0	0
Heads of SCM units	1	0	1	0	0	0
SCM senior managers	1	0	1	0	0	1
<b>Total</b>	<b>48</b>	<b>0</b>	<b>48</b>	<b>3</b>	<b>7</b>	<b>22</b>
*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T4.5.2						

Skills Development Expenditure			
Management Level	Gender	Employees as	Original Budget and Actual Expenditure on skills development 2015/16

		at the beginning of the financial year	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S54 & 56 Managers	Female	1	50 000	50 000	158 025	5 267	60 000	3 450	268 025	58 717
	Male	5	50 000	50 000	0	0	0	0	50 000	50 000
Legislators, senior officials and managers	Female	37	0	0	90 000	84 000	0		90 000	84 000
	Male	23	100 000	100 000	90 000	64 000	0		190 000	164 000
Professionals	Female	25	170 000	100 000	80 000	39 985	0	0	250 000	119 985
	Male	34	0	0	0	0	0	0	0	0
Technicians and associate professionals	Female	20	0	0	70 000	82 456	0	0	70 000	82 456
	Male	20	0	0	70 000	82 456	0	0	70 000	82 456
Clerks	Female	21	0		70 000	27 500	80 000	72 500	150 000	100 000
	Male	29	0	0	0	0	0	0	0	0
Service and sales workers	Female	32	0	0	25 000	22 000	0	0	25 000	22 000
	Male	21	0	0	25 000	22 000	0	0	25 000	22 000
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0	0
	Male	10	0	0	0	0	0	0	0	0
Elementary occupation	Female	53	0	0	0	0	0	0	0	0
	Male	90	0	0	0	0	0	0	0	0
Sub Total	Female	189	220 000	150 000	493 025	261 208	140 000	75 950	853 025	467 158
	Male	232	150 000	150 000	185 000	168 456	0	0	335 000	318 456
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan R2 8m										
T4.5.3										

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

The Municipality successfully implemented the MFMA program with nineteen (19) learners put on the MFMA program in the 2015/16 financial. All 19 employees are competent as follows: 2 Councillors, 1 Senior Manager, 10 financial interns and 6 combination of employees and financial staff.

T4.5.4

#### COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

##### INTRODUCTION TO WORKFORCE EXPENDITURE

The Workforce expenditure is controlled by making sure that all vacancies that appears on the Organisational Structure are budgeted for.

T4.6

#### 4.6. EMPLOYEE EXPENDITURE

##### COMMENT ON WORKFORCE EXPENDITURE:

The Workforce expenditure is in line with National norms and Standards

T4.6.1.1

Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (level 16)	Female	77
	Male	68
Skilled (level 14-10)	Female	0
	Male	11
Highly skilled production (levels 9-7)	Female	5
	Male	12
Highly skilled supervision (level 6-4)	Female	0
	Male	0
Senior management (levels 3-1)	Female	0
	Male	0
MM & S57	Female	0
	Male	0
Total		173

Those with disability are shown in brackets `(x)` in the number of beneficiaries column as well as in the numbers at the right hand side

T4.6.2

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

T4.6.4

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

The review of the organisational structure led to the upgrading of general workers from post level 16 to post level 14 and further employees at post level 14 and 15 were upgraded to post level 13.

T4.6.5

### INTRODUCTION

The municipality's financial performance is assessed mainly on its financial potential and capacity of estimated revenue base to be collected, which is billing information. The municipality's financial health depicts a favourable position, however, revenue collection is not sufficient to fund the expenditures incurred.

The municipality has set funds aside during the 2015/16 financial year to fund its capital programmes, but due to non-payment of services, not all planned projects were implemented.

All the 2015/16 programmes funded from grants were implemented without any challenges.

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENTS

The financial health of the municipality is not favourable when comparing the repayment/ bulk payable to the water board. The ratio depicts insolvency if the entire balances of bulk water have to be paid by the local municipality. The municipality is operating without working capital; it means current collection is used to fund activities without any reserves

T5.1.0

## 5.1. STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary											
Description	2013/14	Current year 2014/15		2014/15 Variance		Current year 2015/16			2015/16 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original	Adjusted budget
Financial Performance											
Property Rates	57,239	70,634	70,634	65,594	7,861	7,861	124,589	100,165	68,106	56,483	32,059
Service charges	93,504	106,664	106,664	99,013	8,011	9,266	117,637	121,640	108,151	9,486	13,489
Investment revenue	55,900	74,904	74,904	30,175	55,650	55,650	275	475	638	-	-
Transfers recognised – operational	72,872	88,490	88,490	87,633	1,282	1,282	113,160	112,660	112,388	772	272
Other own revenue	18,132	15,560	15,560	23,999	75,639	82,031	87,404	86,231	168,175	80,771	- 81,944
<b>Total revenue (excluding transfers and contributions)</b>	<b>297,647</b>	<b>356,252</b>	<b>356,252</b>	<b>306,414</b>	<b>148,443</b>	<b>156,090</b>	<b>443,065</b>	<b>421,170</b>	<b>457,458</b>	<b>14,393</b>	<b>36,288</b>
Employees costs	94,192	118,379	117,516	123,098	16,962	17,558	122,693	120,297	118,246	4,447	2,051
Remuneration of councillors	10,492	12,855	12,085	11,780	1,693	683	12,811	12,811	13,243	432	- 432
Depreciation & asset impairment	63,701	74,909	74,909	133,273	12,799	12,799	103,430	98,430	129,019	25,589	30,589
Finance charges	128	848	2,048	231	675	675	2,109	1,709	1,215	894	494



Bulk purchases	67,501	82,573	82,573	65,626	14,559	13,559	94,332	84,332	74,560	19,772	9,772	
Other expenditure	86,476	149,254	158,047	116151	91,074	106,316	134,618	140,583	100,426	34,192	40,157	
<b>Total Expenditure</b>	<b>332,496</b>	<b>438,818</b>	<b>447,178</b>	<b>450,159</b>	<b>137,764</b>	<b>151,752</b>	<b>469,992</b>	<b>458,162</b>	<b>436,709</b>	<b>33,283</b>	<b>21,453</b>	
<b>Surplus (deficit)</b>	-34,849	-82,566	-90,926	-143,745	100,621	106,902	- 26,927	-	36,992	20,749	47,676	- 57,741
<b>Capital Recognition</b>	32,291	37,875	37,279	38,769	-2,958	5,680	36,492	56,992	55,499	19,007	1,493	
<b>Surplus (deficit) for the year</b>	<b>-2,529</b>	<b>-44,691</b>	<b>-53,647</b>	<b>-104,976</b>	<b>103,608</b>	<b>101,071</b>	<b>9,565</b>	<b>20,000</b>	<b>76,248</b>	<b>66,683</b>	<b>56,248</b>	
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>	48,745	61,179	54,279	35,760	11,875	11,906	53,792	70,792	52,368	1,424	18,424	
Transfers recognised – capital	28,439	37,279	37,279	26,026	8934	7,902	36,492	56,992	40,425	3,933	16,567	
Internally generated funds	20,306	23,900	17,000	9,734	10,981	4,004	17,300	13,800	11,943	5,357	1,857	
<b>Total source of capital funds</b>	<b>48,745</b>	<b>61,179</b>	<b>54,279</b>	<b>35,760</b>	<b>11,875</b>	<b>11,906</b>	<b>53,792</b>	<b>70,792</b>	<b>52,368</b>	<b>1,424</b>	<b>18,424</b>	
<b>Total source of capital funds</b>	<b>48,745</b>	<b>61,179</b>	<b>54,279</b>	<b>35,760</b>	<b>11,875</b>	<b>11,906</b>						
<b>Financial position</b>												
Total current assets	284,875	171,542	169,932	186,197	102,447	102,447	184,644	186,644	556,048	371,404	- 369,404	
Total non-current assets	1,051,575	1,284,539	1,277,639	923,298	180,173	180,173	1,360,832	1,005,535	927,373	433,459	78,162	

Total current liabilities	392,588	1,500	1,500	368,045	383,588	383,588	6,741	287,741	1,233,866	1,227,125	-	- 946,125
Total non-current liabilities	50,157	230,000	230,000	59,656	49,968	49,968	198,000	48,000	215,050	17,050	-	- 167,050
Community wealth/equity	893,704	<b>1,224,581</b>	<b>1,216,071</b>	681,794	531,283	531,283	<b>1,340,735</b>	<b>856,438</b>	1,144,985	195,750	-	- 288,547
<b>Cash flows</b>												
Net cash from (used) operating	35,002	51,306	27,501	57,365	26,633	18781	54,592	40,517	67,965	13,373	-	- 27,448
Net cash from (used) investing	-48,745	-51,179	-47,179	-35,847	11,875	11,906	- 53,792	- 41,200	52,368	1,424	-	11,168
Net cash from (used) financing	-6,131	0	20,000	-495	6,131	6,131	-	-	7,774	7,774	-	7,774
<b>Cash/cash equivalents at the year end</b>	-17,807	2,227	323	3,246	21,822	-20,379	1,612	1,169	11,069	9,457	-	9,900
<b>Cash backing/surplus reconciliation</b>												
Cash and investments available	-20,379	2,227	323	3,246	-1,019	-2,923	1,612	1,169	11,069	9,457	-	-
<b>Balance - surplus (shortfall)</b>	-20,379	2227	323	3,246	-1,019	-2,923	1,612	1,169	11,069	9,457	-	9,900
<b>Asset management</b>												
Asset register summary (WDV)	171,639	1,284,539	1,277,639	923,298	361,241	354,341	1,360,832	1,005,535	927,373	433,459	-	78,162
Depreciation & asset impairment	15,490	74,909	74,909	133,273	-58,364	-58,364	133,273	103,429	129,019	4,254	-	25,590
Repairs and maintenance	4,925	19,291	20,202	13,381	5,910	6,821	21,333	23,375	13,816	7,517	-	9,559
Variances are calculated by dividing the difference between actual & original /adjustments budget by the actual. Table is aligned to MBRR table 1												

## 5.2 GRANTS

Grant Performance											
Description	2013/14	2014/15			2014/15 variance		2015/16			2015/16 Variance	
	Actual	Budget	Adjustments budget	Actual	Original budget	Adjustments budget	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
					%	%				%	%
<b>Operating transfers and grants National Government:</b>											
Equitable share	69,433	83,256	83,256	83,256	-	-	107,805	107,805	107,805	-	-
Finance Management grant	1,500	1,600	1,600	1,600	-	-	1,675	1,675	1,675	-	-
Municipal systems improvement	890	934	934	934	-	-	940	940	940	-	-
<b>EPWP</b>	1000	1,212	1,212	1,212	-	-	1,188	1188	1,157	3%	3%
<b>Total operating transfers &amp; grants</b>	<b>72,873</b>	<b>85,790</b>	<b>85,790</b>	<b>85,790</b>	<b>-</b>	<b>-</b>	<b>111,608</b>	<b>111,608</b>	<b>111,577</b>	<b>0%</b>	<b>0%</b>
<b>Variations are calculated by dividing the difference between actual and original/adjustments budget by actual</b>											
<b>T5.2.1</b>											

**COMMENT ON OPERATING TRANSFERS AND GRANTS:**

The municipality is the recipient of the following grants:

Municipal Infrastructure Grants, Neighbourhood Development Partnership Grant, Municipal System Improvement Grant and Integrated Electricity Grant

T5.2.2

### 5.3 ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS					
Assets 1					
Name	Investment Property				
Description	Land				
Asset Type	Land site				
Key staff involved	Community, Strategic Planning, Technical (PMU) and Budget and treasury department and asset department				
Staff responsibilities	Planning , Implementation, monitoring and Facilitate Payment maintenance of asset				
Asset Value	2011/12	2012/13	2013/14	2014/15	2015/16
	42 999	42 999	42 999	42 999	43 858
Capital implications	Transfer of an Asset, right to use, control and manage asset				
Future purpose of asset	For rental earnings, capital appreciation and Future economic or Social benefits				
Describe key issues	Conflict of Land and Eviction of Land				
Policies in place to manage asset	Valuation roll inclusion, Investment and asset register policy in place				

Assets 2					
Name	Land and Building				
Description	Improvements on Land				
Asset Type	Building				
Key staff involved	Community, Strategic Planning, Technical (PMU) and Budget and treasury department and Asset department				
Staff responsibilities	Planning , Implementation, monitoring and Facilitate Payment and Safe guarding of assets				
Asset Value	2011/12	2012/13	2013/14	2014/15	2015/16
				440 174	256 403
Capital implications	Funding Mechanisms				
Future purpose of asset	Investment For Improvements and Future economic or Social benefits, owner occupier				
Describe key issues	valuation roll not complying to asset register and value for money				
Policies in place to manage asset	Valuation roll, Investment and asset register policy in place				

Asset 3					
Name	Roads				
Description	Infrastructure Roads				
Asset Type	Pavement Road				
Key staff involved	Community, Strategic Planning, Technical (PMU) and Budget and treasury department				
Staff responsibilities	Planning , Implementation, monitoring and Facilitate Payment				
Asset Value	2011/12	2012/13	2013/14	2014/15	2015/16
	428 971	416 524	399 399	398 623	280 599
Capital implications	Road, Sidewalk and Traffic Signs maintenance, funding mechanisms				
Future purpose of asset	Service Delivery and For Improvements and Future economic or Social benefits				

Describe key issues	Value For Money, Development of a Road Safety Strategy and Action Plan
Policies in place to manage asset	Asset register policy in place
T5.3.2	

**COMMENT ON ASSET MANAGEMENT:**

T5.3.3

Repair and maintenance expenditure 2015/16				
	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	21,333	23,375	13,816	9,559
<b>T5.3.4</b>				

**COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:**

T5.3.4.1

**5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

**5.5 CAPITAL EXPENDITURE**

**5.6 SOURCES OF FINANCE**

Capital Expenditure – funding sources 2015/16							
Details	2013/14	2014/15	2015/16				
	Actual	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<i>Source of finance</i>							
Grants and subsidies	28,439	37,279	36,492	56,992	40,425	56%	11%

<b>Other</b>	20,306	23,900	17,300	13,800	11,943	-20%	-31%
<b>Total</b>	48,745	61,197	53,792	70,792	52,368	32%	-3%
<b>Percentage of finance</b>							
External Loans							
Public contributions and donations							
Grants and subsidies	57%	61	68%	81%	77%	19%	14%
Other	43%	39	32%	19%	23%	-39%	-29%
<b>Capital Expenditure</b>							
Water and Sanitation							
Electricity	18,367	27,800	12,600	10,600	12,129	-16%	-4%
Housing							
Roads and storm water	18,493	27,279	35,492	55,992	37,142	58%	5%
Other	11,885	6,100	5,700	4,200	3,097	-26%	-46%
<b>Total</b>	48,745	61,179	53,792	70,792	52,368	32%	-3%
<b>Percentage of expenditure</b>							
Water and Sanitation							
Electricity	38	45	23%	15%	23%	-36%	-1%
Housing							
Roads and storm water	38	45	66%	79%	71%	20%	7%
Other	24	10	11%	6%	6%	-44%	-44%
<b>T5.6.1</b>							24

**COMMENT ON SOURCES OF FUNDING:**

T5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital expenditure of 5 largest projects* 2015/16						R`000
Name of project	Current year			Variance current year		
	Original budget	Adjustment budget	Actual expenditure	Original variance (%)	Adjustment variance (%)	
A-Mashishimale sport complex	12 337 814	9 277 710	9 277 710	25% below	0	
B- Upgrading of internal streets at Foskop	18 384 823	19 015 527	19 015 527	3% above	0	
C- Tambo Upgrading of streets	2 959 936	436 502	436 502	85.3% below	0	
D- Upgrading of B1 Ext Road	7 136 875	6 380 943	6 380 943	10.6% below	0	
E- Ba-Phalaborwa energy saving Highmast	R 0.00	R 0.00	R 0.00	None		

### \*Projects with the highest capital expenditure in 2015/16

Name of project – A	Mashishimale sports complex
Objective of project	To promote sports activities in the rural villages
Delays	Delay due to limited budget allocated by MIG
Future challenges	
Anticipated citizen benefits	The entire area of Mashishimale, Maseke and Makhushane
Name of project – B	Tambo upgrading of street
Objective of project	To improve Storm water drainage and access to the yard by public
Delays	None
Future challenges	The project will take long to be completed due to limited budget
Anticipated citizen benefits	The community of Namakgale zone C (long T)

Name of project – C	Upgrading of Lulekani B1 extension
Objective of project	To improve Storm water drainage and access to the yard by public
Delays	Limited budget
Future challenges	The area which was not covered due to limited budget the phase 2 project is on registration stage
Anticipated citizen benefits	The resident of Lulekani B1 Extension

Name of project – D	Ba-Phalaborwa High Mast
Objective of project	Is to enhance the safety on the rural area and visibility during the night.
Delays	The delay was due to process to be followed by Eskom when requesting connections.
Future challenges	Limited number of high mast due to allocated budget. The additional high mast will be done during phase 2 project. We are currently source funding for the project.
Anticipated citizen benefits	The entire villages in Ba-Phalaborwa

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Service Backlogs as at 30 June 2015				
	*service level above minimum standard		**service level below minimum standard	
	No. HHs	%HHs	No. HHs	%HHs
Water	N/A	N/A	N/A	N/A
Sanitation	N/A	N/A	N/A	N/A
Electricity	42316	98.3	746	1.7%
Waste management				
Housing				

% HHs are the service above/below minimum standard as a proportion of total HHs. `housing` refers to \*formal and \*\* informal settlements T

T5.8.2

Municipal Infrastructure Grant (MIG) *Expenditure 2015/16 on service backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major Conditions applied by donor (continue below if necessary)
				budget	Adjustments budget	
<b>Infrastructure –Road transport</b>				%	%	-
Roads, pavements & bridges	R23.9m	R 39,910,359m	R 39,910,359m		67%	The condition is to spend 100% allocation. The Municipality received additional funds from MIG due to best performance
Storm water						
<b>Infrastructure –Electricity</b>						
Generation						
Transmission & Reticulation						
Street lighting						
<b>Infrastructure – Sanitation</b>						
Reticulation						
Sewerage purification						
<b>Infrastructure – other</b>						
Waste management						
Transportation						
Gas						
<b>Other Specify</b>						
<b>Total</b>	<b>R23.9m</b>	<b>R 39.9m</b>	<b>R 39.9m</b>	<b>%</b>	<b>67%</b>	

\*MIG is a Government grant program designed to fund a reduction in service backlogs, mainly: Water, Sanitation; roads; electricity,. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.8.3

### COMMENT ON BACKLOGS:

The backlog is 563.2km of gravel road to be upgraded to tarred/paving. The Municipality has a plan to construct or upgrade not less than 5km per financial year which will be informed by the MIG allocation.

T5.8.4



## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow management is mainly dependent on current revenue collected. The municipality does not have working capital, nor surplus reserves carried over from one financial year to the other. The surplus reported above cannot complete a capital project.

The municipality appointed services of the debt collector in order to maximise revenue in the township. The situation depicts that the municipality does not expand in terms of future plans due to uncertainty of payment of services by consumers.

T5.9.0

### 5.9. CASH FLOW

Cash Flow Outcomes					
Description	2013/14	2014/15	201/16		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>Cash Flow From Operating Activities</b>					
<b>Receipts</b>					
Ratepayers and other	115,151	177,820	251,996	193,123	204,060
Government – operating	73,626	87,633	113,160	113,160	112,920
Government – Capital	31,537	37,279	36,492	36,492	56,992
Interest	55,900	30,176	19,504	4,305	4,111
Dividends					
<b>Payments</b>					
Suppliers and employees	- 241,084	- 273,972	- 364,453	- 305,165	- 308,903
Finance charges	- 127,595	- 1,570	- 2,109	- 1,398	- 1,215
Transfers and grants					

Net Cash From (Used) operating activities	-92,465	57,366	54,590	40,517	67,965
<b>Cash flows from investing activities</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE					
<b>Payments</b>					
Capital Assets	-48,745	- 35,847	- 53,792	- 41,200	- 52,368
Net Cash From (Used) investing activities					
	-48,745	-35,847	- 53,792	- 41,200	- 52,368
<b>Cash flows from financing activities</b>					
<b>Receipts</b>					
Increase (decrease) in consumer deposits					
<b>Payments</b>					
Net Cash From (Used) financing activities		-	-495		- 7,774
<b>Net Increase/(Decrease) in cash</b>	-19,874	21,023	800	-683	7,823
Cash/cash equivalents at the year begin	2,066	- 17,777	813	1852	3,246
Cash/cash equivalents at the year end	-17,807	3,246	1612	1169	11,069
<b>Source:</b>	<b>MBRR</b>	<b>SA7</b>			
<b>T5.9.1</b>					

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

T5.10.1

Municipal and Entity investments				
Investment type	2012/13	2013/14	2014/15	2015/16
	Actual	Actual	Actual	Actual
<b>Municipality</b>				
Securities – National Government				

Listed Corporate Bonds				
Deposits –bank	929	2,548	531	7,084
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				
<b>Municipality sub-total</b>	929	2,548	531	7,084
<b><u>Municipal Entities</u></b>	N/A	N/A	N/A	N/A
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				
<b>Entities sub-total</b>				
<b>Consolidated total:</b>	929	2,548	531	7,084
			<b>T5.10.4</b>	

**COMMENT ON BORROWING AND INVESTMENTS:**

T5.10.5

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

**PUBLIC PRIVATE PARTNERSHIPS**

T5.11.1

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

The municipality has an approved supply chain management policy derived from the model supplied by National Treasury. The policy with its treasury notes guides together with other related pieces of legislation are used when procuring goods and services.

The supply chain management officials are undertaking courses of minimum competency as prescribed by National Treasury guides. There is no interference by Councillors or whatsoever reported so far.

Management has taken an initiative to ensure that all officials dealing with bid committees must attend refresher courses done by a Supply Chain practitioner from the National Treasury for better understanding and make use of the policies and guides in respect of supply chain management.

T5.12.1

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

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

The municipality is fully GRAP compliant.

T5.13.1

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A

#### INTRODUCTION

The Constitution in Section 188 (1) (b), states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA, S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

T6.0.1

#### 6.1 AUDITOR GENERAL REPORTS 2015/16

Auditor-General Report on Financial Performance 2015/16	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken
T6.1.1	

### COMPONENT B: AUDITOR-GENERAL OPINION 2014/15

#### 6.2 AUDITOR GENERAL REPORT 2014/15

Auditor-General Report on Financial Performance 2015/16	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken

Auditor-General Report on service delivery Performance 2015/16	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken

**AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2015/16**

**Auditor General Report on the 2015/16 AFS is attached to the Annual Report as an annexure.**

T6.2.3

**COMMENTS ON AUDITOR-GENERAL'S OPINION 2015/16**

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S (delete '/...' if not applicable)**.

Signed (Chief financial Officer).....Dated

T6.2.5

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>Service delivery &amp; infrastructure</li> <li>Economic development</li> <li>Municipal transformation and institutional development</li> <li>Financial viability and management</li> <li>Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs,

	outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> <li>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality;</li> <li>and</li> <li>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</li> </ul>



## APPENDICES

### APPENDIX A-COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time/Part Time	Committee Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage apologies for non-attendance
	FT/PT			%	%
Cllr MD Maake	FT	Speaker	ANC	100%	
Cllr NA Sono	FT	Mayor	ANC	98%	2%
Cllr SL Mohlala	FT	Chief Whip	ANC	98%	2%
Cllr KA Peta	PT	Executive Committee Member, Chairperson of Corporate Services & Shared Services Portfolio, Chairperson of Local Labour Forum and Chairperson of Governance Administration Committee and Serve in the SALGA HR working Group	ANC – Ward 7	98%	2%
Cllr IF Mpenyane	FT	Executive Committee Member and Chairperson of Finance Portfolio	ANC –Ward 14	100%	
Cllr T Nkuna	PT	Executive Committee Member and Chairperson of Social Services Portfolio	ANC – Ward 16	92%	7%
Cllr MM Malatji	FT	Executive Committee Member and Chairperson of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	ANC – Ward 1	99%	1%
Cllr KS Malatji	PT	Executive Committee Member and Chairperson of Economic Development,	ANC	100%	

		Housing, Spatial Planning & Agriculture Portfolio			
Cllr SR De Beer	PT	Executive Committee Member and Member of Finance Portfolio	DA – Ward 11	98%	2%
Cllr TG Malatji	PT	Member of Social Services Portfolio	ANC – Ward 2	94%	2%
Cllr NEN Ndlovu	PT	Member of Corporate Services and Shared Services Portfolio	ANC – Ward 3	93%	5%
Cllr MR Popela	PT	Member of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	ANC – Ward 4	98%	2%
Cllr PG Mabilo	PT	Member of Corporate Services and Shared Services Portfolio	ANC – Ward 5	87%	8%
Cllr ST Mkansi	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	ANC – Ward 6	91%	1%
Cllr KE Mahomane	PT	Member of Social Services Portfolio	ANC – Ward 8	99%	1%
Cllr MG Malesa	PT	Member of Social Services Portfolio	ANC – Ward 9	98%	2%
Cllr BR Mashale	PT	Member of Finance Portfolio	ANC – Ward 10	91%	7%
Cllr IF Mpenyane	PT	Member of Finance Portfolio	ANC – Ward 14	100%	
Cllr R Makasela	PT	Member of Social Services Portfolio	ANC – Ward 15	96%	2%
Cllr MS Chauke	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	DA – Ward 17	87%	6%
Cllr MS Mokgalaka	PT	Member of Corporate Services and Shared Services Portfolio	ANC – Ward 18	89%	3%
Cllr JG Mashele	PT	Member of Municipal Public Accounts Committee	ANC	96%	4%

Cllr MM Malesa	PT	Member of Corporate Services and Shared Services Portfolio	ANC	96%	4%
Cllr PS Mthombeni	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	ANC	90%	5%
Cllr MO Makwala	PT	Chairperson of Municipal Public Accounts Committee	ANC	96%	1%
Cllr MR Monareng	PT	Member of Social Services Portfolio	ANC	98%	1%
Cllr SR Nkuna	PT	Member of Municipal Public Accounts Committee	ANC	89%	7%
Cllr TM Malobane	PT	Member of Social Services Portfolio	Cope	90%	6%
Cllr MP Kgoete	PT	Member of Social Services Portfolio	Cope	99%	1%
Cllr MV Mathebula	PT	Member of Infrastructure Development, Roads, Public Transport & Water Services Portfolio	DA	94%	3%
Cllr HS Booysen	PT	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio	IRASA	95%	5%
Cllr B Ramothwala	PT	Member of Municipal Accounts Committee	DA	98%	2%
Note: * Councillors' appointed on a proportional basis do not have wards allocated to them					

**CONCERNING TA**

TA.1

## APPENDIX B—COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of committees	
Municipal Committee	Purpose of Committee
Finance Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Infrastructure Development, Roads, Public Transport and Water Services Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Economic Development, Human Settlement & Spatial Planning Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Corporate Services and Shared Services Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Community & Social Services Portfolio	To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee
Local Labour Forum	To negotiate and consult on matters of mutual concern to the employer in order to stabilise labour unrest.
Municipal Public Accounts Committee	To exercise oversight over the executive functionaries of Council and to ensure good governance in the municipality.
Audit Committee	Advise the municipal council, the political office bearers, the accounting officer and the management of the municipality or municipal entity  on matters relating to: Internal financial control and internal audits; Risk management;  Accounting policies;  The adequacy, reliability and accuracy of financial reporting and information;  Performance management;  Effective governance;
ICT Steering Committee	To advise the accounting officer and Management on issues relating to ICT
District ICT Forum	Sharing of Good Governance Practices

**APPENDIX C—THIRD TIER ADMINISTRATIVE STRUCTURE**

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	No	District
Building Regulations	Yes	
Child Care facilities	no	
Electricity and gas reticulation	Yes	
Fire fighting services	No	District
Local tourism	Yes	
Municipal airports	Yes	
Municipal planning	Yes	
Municipal Health Services	No	
Municipal Public Transport	No	
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 matters related	No	
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	District
<i>Continued next page</i>		
Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to entity (Yes/No)
Constitution schedule 5, Part B Functions:		
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisance		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	
Municipal abattoirs	No	
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	
*if municipality: indicate (yes or No); * if entity: provide name of entity		TD

#### APPENDIX D – WARD REPORTING

Functionality of Ward Committees						
Ward Name (Number)	Name of ward councillor and elected committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during year	
Ward 1	CLlr MM Malatji	Yes	11	11	08	
Ward 2	CLlr T Malatji	Yes	11	11	04	
Ward 3	CLlr NE Ndlovu	Yes	11	11	03	
Ward 4	CLlr MR Popela	Yes	11	11	07	
Ward 5	CLlr PG Mabilo	Yes	11	11	04	
Ward 6	CLlr T Mkansi	Yes	11	11	08	
Ward7	CLlr KA Peta	Yes	11	11	06	
Ward 8	CLlr K Mahomane	Yes	11	11	03	
Ward 9	CLlr G Malesa	Yes	11	11	02	
Ward 10	CLlr BR Mashale	Yes	11	11	09	
Ward 11	CLlr S De Beer	Yes	11	11	0	
Ward 12	CLlr KA Otto	Yes	11	11	0	
Ward 13	CLlr KP Mhlari	Yes	11	11	05	
Ward 14	CLlr IF Mpenyane	Yes	11	11	04	
Ward 15	CLlr R Makasela	Yes	11	11	04	
Ward 16	CLlr T Nkuna	Yes	11	11	03	
Ward 17	CLlr SM Chauke	Yes	11	11	02	
Ward 18	CLlr S Mokgalaka	Yes	11	11	03	

## APPENDIX E – WARD INFORMATION

Capital Projects: Seven Largest in 2015/16 (Full List at Appendix N)				
				R`000
Ward No	Project Name & Detail	Start Date	End Date	Total Value
11	Upgrading of Selati Sub-Station in Phalaborwa			
01	Honnyville to Topville street paving			
9&10	Ba-Phalaborwa solar High mast			
08	Patamedi street paving			
				TF.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					X
Households without minimum service delivery					
Total Households*					
Houses completed in year	X				
Shortfall in housing units					
*including	informal				settlements
TF.2					
Top four service delivery priorities for ward (highest priority first)					
No.	Priority Name and Detail	Progress During 2015/16			
1.	Water pressure & shortage				
2.	Street paving				
3.	Culverts				
4.	Apollo lights				
					TF.3

## APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/16

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2015/16	Recommendations adopted (enter Yes); not adopted (provide explanation)
		TG

## APPENDIX G–LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2015/16)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
					TH.1

Public Private Partnerships Entered into 2015/16					
					R`000
Name & Description of project	Name of Partner (s)	Initiation date	Expiry date	Project manager	Value 2015/16
					TH.2

## APPENDIX H- DISCLOSURES OF FINANCIAL DISCLOSURES

Disclosures of Financial Interests		
Period 1 July 2015 to 30 June 2016		
Position	Name	Description of financial interest* (Nil/or details)
Speaker	Cllr MD Maake	Nil
Mayor	Cllr NA Sono	Nil
Chief Whip	Cllr SL Mohlala	Ntibaneng Close Corporation (construction)
Member of Exco	Cllr KP Mhlarhi	Nil
Member of Exco	Cllr VP Mapanzela	Not disclosed
Member of Exco	Cllr DM Rapatsa	Nil
Member of Exco	Cllr MS Magomane	Nil
Member of Exco	Cllr KS Malatji	Nil
Member of Exco	Cllr SR De Beer	Nil
Councillor	Cllr MM Malatji	Nil
Councillor	Cllr TG Malatji	Nil
Councillor	Cllr NEN Ndlovu	Nil
Councillor	Cllr MR Popela	Nil
Councillor	Cllr PG Mabilo	Nil
Councillor	Cllr ST Mkansi	Nil
Councillor	Cllr5 KA Peta	Ramalema Catering Company 100% share



Councillor	Cllr KE Mahomane	Nil
Councillor	Cllr MG Malesa	Nil
Councillor	Cllr BR Mashale	Nil
Councillor	Cllr KA Otto	Nil
Councillor	Cllr IF Mpenyane	Nil
Councillor	Cllr R Makasela	Nil
Councillor	Cllr T Nkuna	Nil
Councillor	Cllr MS Chauke	Nil
Councillor	Cllr MS Mokgalaka	Nil
Councillor	Cllr JG Mashele	Nil
Councillor	Cllr MM Malesa	Nil
Councillor	Cllr PS Mthombeni	Nil
Councillor	Cllr MO Makwala	Nil
Councillor	Cllr MR Monareng	Nil
Councillor	Cllr SR Nkuna	Nil
Councillor	Cllr TM Malobane	Nil
Councillor	Cllr MP Kgoete	Nil
Councillor	Cllr MV Mathebula	Nil
<b>MUNICIPAL ADMINISTRATORS</b>		
Municipal Manager	Dr SS SEBASHE	RSA Auctioners
Acting Chief Financial Officer	A Nzimande	
Director Planning	HP Maluleke	Land mark Consulting KHPJ Property Developer
Director Community	H Zungu	
Director Technical	K Mpharalala	Lehute Holdings  KPME Surfacing  African Royal Construction Engineers
Director Corporate services	MI Moakamela	Greater Tzaneen Economic Development Agency

\*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ

## APPENDIX I : REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX I (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue collection performance by vote							
Vote Description	2013/14	2014/15	2015/16		2015/16 Variance		Adjustments Budget
	Actual		Original Budget	Adjusted Budget	Actual	Original Budget	
EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-
BUDGET AND TREASURY DEPT	166,849	185,133	231,665	231,665	193,504	38,161	38,161
CORPORATE SERVICES	567	228	330	330	1133	-803	-803
COMMUNITY AND SOCIAL SERVICES	14,158	23,746	25,522	25,522	26,163	-641	-641
PLANNING AND DEVELOPMENT	1,346	170	-	-	7	0	0
TECHNICAL SERVICES DEPT	105,959	118,138	136,012	136,012	124,375	11,637	11,637
Total Revenue by vote	288,879	329,937	393,529	393,529	345,182	48,347	48,347

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 TK.1

### APPENDIX I (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							
Description	2013/14	2014/15	2015/16		2015/16 Variance		
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property Rates	60,257	57,239	70,634	70,634	65,594	5,040	5,040
Service charges – electricity revenue	70,292	83,082	95,327	95,327	87,608	7,719	7,719
Service Charges – refuse revenue	9,123	10,422	11,337	11,337	11,405	-68	-68
Rentals of facilities and equipment	295	288	330	330	265	65	65
Interest earned – Investment	332		260	260	277	-17	-17
Interest earned – outstanding debtors	42,369	55,900	74,644	74,644	29,899	44,745	44,745
Fines	871	2,826	2,600	2,600	8,823	-6,223	-6,223
Licence and permits	2,375	3,121	9,021	9,021	2,257	6,764	6,764

Agency services	1,531	9,665	2,255	2,255	5,325	-3,070	-3,070
Transfers recognised – operational	65,471	73,626	88,490	88,490	87,633	857	857
Other revenue	3068	2,291	1,355	1,355	7,328	-5,973	-5,973
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>255,984</b>	<b>298,460</b>	<b>356,253</b>	<b>356,253</b>	<b>306,414</b>	<b>49,839</b>	<b>49,839</b>

Variance are calculated by dividing the difference between actual and original/adjustment budget by the actual. This table is aligned to MBRR table A4 TK.2

#### APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Finance Management grant	1,675	1,675	1,675	-	-	
Municipal Systems Improvement	940	940	940	-	-	
EPWP	1,188	1,188	1,157	31	31	
International Electrification Grant	7,000	7,000	5,088	1,912	1,912	
<b>Total</b>	<b>10,803</b>	<b>10,803</b>	<b>8,860</b>	<b>1,943</b>	<b>1,943</b>	

\*this includes neighbourhood development partnership grant, public transport infrastructure and systems Grant and any other grant excluding municipal infrastructure grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. TL

#### APPENDIX K: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

##### APPENDIX K (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital expenditure – New Assets programme*						
Description	2015/16			Planned capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3

<b>Capital expenditure by asset class</b>						
<b>Infrastructure - Total</b>						
Infrastructure: Road transport – Total	23,992	40,654	37,142	24,000	26,000	28,000
Infrastructure: Electricity – Total	12,600	10,600	12,129	7,000	8,000	9,000
<i>Other</i>	10,000	13,838		10,000	11,000	11,000

#### APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2014/15

<b>Capital Expenditure – new assets programme*</b>						
Description	2015/16			Planned Capital Expenditure		
	Original budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by asset class</b>						
<b>Other assets</b>						
Plant & Equipment	7,200	5,700	3,097	3,800	4,500	4,900
Other						
Total	53,792	70,792	52,368	44,800	49,500	52,900

<b>Capital Programme by Project 2015/16</b>					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj) %	Variance (Act-OB) %
<b>Water</b>					
“Project A”					
“Project B”					
“Project C”					
<b>Sanitation /Sewerage</b>					
“Project A”					
“Project B”					
<b>Electricity</b>					
“Project A”					
“Project B”					
<b>Housing</b>					
“Project A”					
“Project B”					
<b>Refuse Removal</b>					
“Project A”					

"Project B"					
<b>Storm Water</b>					
"Project A"					
"Project B"					
<b>Economic Development</b>					
"Project A"					
"Project B"					
<b>Sports, Arts &amp; Culture</b>					
"Project A"					
"Project B"					
<b>Environment</b>					
"Project A"					
"Project B"					
<b>Health</b>					
"Project A"					
"Project B"					
<b>Safety &amp; Security</b>					
"Project A"					
"Project B"					
<b>ICT and other</b>					
"Project A"					
"Project B"					
					TN

**APPENDIX M - ANNUAL PERFORMANCE REPORT 2015/16 FY**



**The Home of Marula and Wildlife Tourism**

## Introduction

The development, implementation and monitoring of a Service Delivery and Budget Implementation Plan (SDBIP) is a requirement of the Municipal Finance Management Act, Act 56 Of 2003. The SDBIP gives effect to the Integrated Development Plan (IDP) and Budget of a Municipality and will be possible if the Budget is aligned to the IDP. The SDBIP is a management plan for implementing the IDP through the approved Budget.

The SDBIP is a twelve months implementation plan that binds the executive and administration to align their activities to the strategic objectives of the institution. It provides the basis for measuring performance in service delivery against quarterly targets and implementing the budget based on monthly revenue and expenditure projections. It assists the accounting officer, the executive, council and the community in their respective oversight responsibilities, since it serves as an implementation and monitoring tool.

In the interest of good governance and better accountability, the SDBIP should determine and be aligned with the performance agreements of the Municipal Manager and Senior Managers. The SDBIP is, therefore,, defined as **an action plan with revenue projections, expenditure estimates and allocations of resources to priority issues**. The SDBIP has targets for the implementation of projects and/or activities. Monthly, quarterly, half-yearly and annual **targets with allocated resources** and **responsible persons** are clearly set in the SDBIP.

## Legislation

Section 1 of the MFMA defines the SDBIP as:

*“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:*

- (a) projections for each month of-*
  - (i) revenue to be collected, by source; and*
  - (ii) operational and capital expenditure, by vote;*
- (b) service delivery targets and performance indicators for each quarter”*

Section 69(3)(a) of the MFMA requires the accounting officer to submit a draft SDBIP to the mayor no later than 14 days after the approval of the budget and drafts of the performance agreements as required in terms of Section 57(1)(b) of the Municipal Systems Act.

Section 53 (1) (c) (ii) requires that a municipality’s Service Delivery and Budget Implementation Plan be **approved by the Mayor within 28 days after the approval of the budget**. Although the SDBIP is not required to be approved by council, **it should be tabled before council and made public** for information and for purposes of monitoring.

Despite the legislated deadlines, MFMA Circular No. 13 states that “[a] municipality should ideally **publish its draft SDBIP with its draft budget as supporting documentation to assist its budget hearing process normally held at the end of March or in April.**” In order for a municipality to comply with the provisions of this statement, the **mayor will need to approve the draft top-layer SDBIP by mid-March.**

The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after approval. The SDBIP is a dynamic document that may (at lower layers of the plan) be continually revised by the municipal manager and other top managers, as actual performance after each month or quarter is taken into account. However, **the top-layer of the SDBIP and its targets cannot be revised without notifying the council**, and if there is to be changes in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (Section 54(1)(c) of MFMA). The contemplated council approval is meant to avoid a situation where service delivery targets may be revised downwards in the event that there is poor performance.



## Methodology and Content

The IDP objectives need to be quantified and translated into key performance indicators. The budget is then aligned to the objectives, projects and activities to enable the SDBIP to serve as a monitoring tool for service delivery.

The SDBIP is a layered plan that comprises the top layer as well as the lower layer SDBIP. The top layer deals with consolidated service delivery targets and time frames for top management, whereas the lower layer consists of detailed outputs that are broken down into smaller outputs and then linked and assigned to middle and lower managers.

The following are the minimum required components of a top-layer SDBIP:

- (a) Monthly projections of revenue to be collected for each source
- (b) Monthly projections of expenditure (operating and capital) and revenue for each vote
- (c) Quarterly projections of service delivery targets and performance indicators for each vote
- (d) Ward information for expenditure and service delivery
- (e) Detailed capital works plan broken down by ward over three years

The diagram below shows the process for approving the SDBIP including how the departmental SDBIPs roll up into the draft SDBIP:

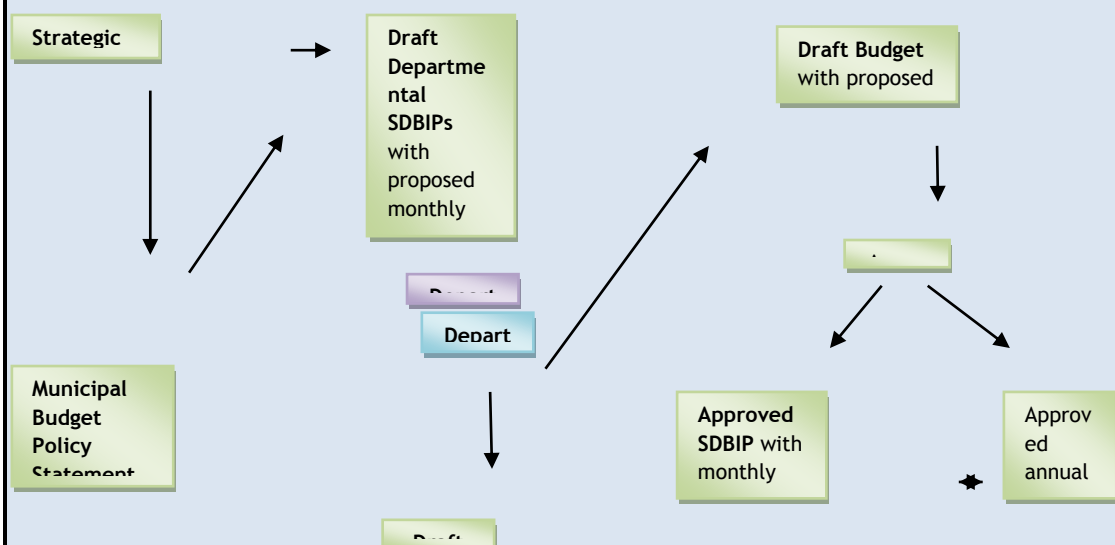


Diagram adapted from MFMA Circular No. 13 of 31 January 2005

## Strategic Intent

The Municipality held a strategic session between the 18<sup>th</sup> November and 20<sup>th</sup> December 2015 to review its strategic intent as follows:

### **Vision:**

*“Provision of quality services for community well-being and tourism development”*

### **Mission Statement:**

*“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and accountable governance”.*

### **Values:**

*“Efficiency and effectiveness;*

*Accountability;*

*Innovation and creativity;*

*Professionalism and hospitality;*

*Transparency and fairness;*

*Continuous learning; and*

*Conservation conscious”.*

### **Strategic Objectives:**

*“Promotion of Local economy;*

*Provision of sustainable integrated infrastructure and services;*

*Sustain the environment;*

*Improve financial viability;*

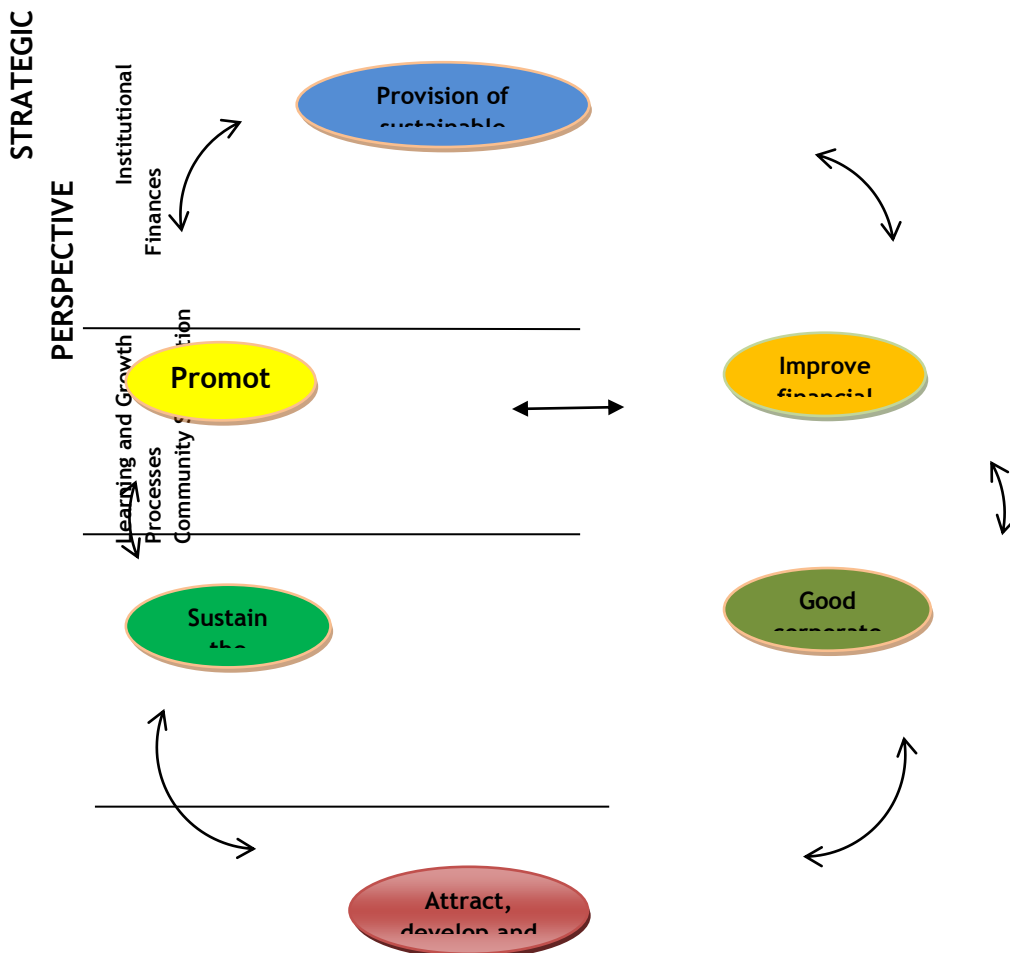
*Good corporate governance and public participation; and*

*Attract, develop and retain best human capital”.*

The Municipality has adopted a Balanced Scorecard approach to planning and performance assessment. The strategic objectives are therefore spread across the four perspectives as indicated through the strategy map below:

“PROVISION OF DEVELOPMENT QUALITY SERVICES FOR COMMUNITY WELL-BEING AND TOURISM “

### THE HOME OF MARULA WILDLIFE TOURISM



### *The Accounting Officer's Year End Institutional Performance Overview*

This Annual Performance Report has been compiled in line with the provisions of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 which mandates a municipality to prepare an Annual Performance Report for each financial year reflecting the performance of the municipality and of each external service provider during the financial year.

The Annual Performance Report is based on targets set for the implementation of the 2015/16 IDP through the Service Delivery Budget and Implementation Plan. The key performance indicators are classified according to the five key performance areas of local government and are aligned to the municipal objectives as outlined in the IDP

This report will record progress made by the municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery Implementation Plan. It will also reflect on the challenges encountered during the financial year.

#### **Achievements:**

- Upgraded 7.8 km of gravel streets to paving and tar;
- Connected 1295 households to the electricity network;
- 6 projects implemented EPWP way, thus creating employment opportunities;
- Created 80 jobs through municipal initiatives (EPWP);
- Able to attend and organize three (3) tourism initiatives to grow the local economy;
- Supported 101 SMMEs through Municipal Supply Chain Management processes;
- Spent MIG allocation 100%

### **Key challenges for the 2015/16 financial year:**

The key challenges for the 2015/16 financial year are amongst others the following:

- Low revenue collection which affected implementation of own funded capital projects;
- Culture of non-payment of services in townships; and
- Old water infrastructure.

The annual performance of the municipality will be presented in terms of Key Performance Areas and performance indicators as approved by the Mayor in the Service Delivery Implementation Plan as follows:

#### **KPA 1: SPATIAL RATIONALE**

The Key Performance Area for Spatial Rationale had 2 key performance indicators for 2015/16 financial year. The Municipality recorded good performance on 1 key performance indicator which constituted to 50% and 1 key performance indicator reflecting non-achievement which equalled 15%. The non-performance was a result of not achieving the target of processing the targeted number of Land use and development applications received. The good performance was as a result the development of supplementary valuation roll.

#### **KPA 2: BASIC SERVICE DELIVERY**

The Key Performance Area for Basic Service Delivery had 7 key performance indicators during the financial year under review. The Municipality managed to record good performance on 5 key performance indicators which constituted 71% and 2 key performance indicators were reflecting non-achieved which equalled to 29%. The good performance was as a result of the connection of 1295 new consumer units to electricity network and also the upgrading of 7.8 km of gravel road to tarred road. The poor performance recorded on the Basic Service Delivery KPA was due to the target not reached on the reduction of water losses in urban area by 15%.

### **KPA 3: MUNICIPAL FINANCIAL VIABILITY MANAGEMENT**

The Key Performance Area for Municipal Financial Viability Management had 10 key performance indicators during the 2015/16 financial year. The Municipality managed to record good performance on 9 key performance indicators which constituted to 90 %. The 1 non-achieved indicator was recorded and constituted to 10%. The rand value on the budget spent on MIG was fully spent. The budget planning schedule was approved by council. The municipality also managed to appoint supply chain committee structures within the planned dates. The poor performance recorded was due to low revenue collection with a target of 80% and achievement of 53%.

### **KPA 4: LOCAL ECONOMIC DEVELOPMENT**

The Key Performance Area for Local Economic Development had 5 key performance indicators during the 2015/16 financial year. The Municipality managed to record good performance in 3 key performance indicators which constituted 60% and 2 key performance indicators was reflecting non-achievement which equalled to 40%. The good performance was as a result of 101 SMME's supported by the Municipality through procurement. The Municipality managed to initiate 3 Tourism developments. The municipality managed create 80 jobs through EPWP approach.

### **KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**

The Key Performance Area for Municipal Transformation and Institutional Development had 10 key performance indicators for the 2015/16 financial year. The municipality recorded good performance on 8 key performance indicators

which constituted to 80% and 1 key performance indicator was reflecting partial achievement which equalled 10% and non-performance was recorded in 1 key performance indicator totalling 10%. The good performance recorded was as a result of the Organisational Structure reviewed and approved by council on the 28 May 2016. The skills development plan was reviewed and submitted on the 21<sup>st</sup> of April 2016. The IDP, Budget, PMS and MPAC Process plan, the reviewed IDP and the final SDBIP were processed on time and approved by council on the planned dates. All Section 56 & 57 Managers signed their performance agreements. The poor performance was as a result of less budget spend on the work skills plan.

#### **KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The Key Performance Area for Good Governance and Public Participation had 36 key performance indicators during the financial year under review. The Municipality managed to record good performance on 32 key performance indicators which constituted 89% and 4 key performance indicators indicating non-achieved performance which constituted 11%. The good performance was as a result of the conducting Community Satisfaction Survey internally. All Council, EXCO, MPAC, LLF were held according to the Corporative diary. The Municipality managed to implement 100% of IA Plan. Anti-Corruption strategy was reviewed and approved by council. 17 HIV/AIDS outreach programmes were conducted. The partially achieved performance recorded on the Good Governance and Public Participation KPA was due to the target not reached of number of OHS meeting to be held. The poor performance was recorded as a results of not achieving the target of number of IDP rep forum meetings to be held.

#### **THE OVERALL MUNICIPAL PERFORMANCE**

The municipality had 6 key performance areas with a total number of 70 key performance indicators for the 2015/16 financial year. The municipality managed to record good performance on 58 key performance indicators which constituted 83% and partially achieved on 1 indicators constituting 1%, and poor performance recorded was on 11 key performance indicators which constituted 16%.

## **CORRECTIVE MEASURES TO IMPROVE PERFORMANCE**

### **Capital expenditure (own funding):**

Implementation of own funded capital projects are affected on an annual basis due to low revenue collection and this is to a larger extent affected by the starting of the implementation process of projects towards the end of the financial year. Noting this challenge the municipality will start planning for implementation of capital projects in the first quarter of the financial year. The municipality will furthermore intensify the implementation of the credit control policy.

### **IDP Rep Forum meeting:**

Appointment of IDP Manager to ensure IDP processes are held as per plan.

### **Low revenue collection**

During the period under review the municipality did not perform well in terms of revenue collection, thus affecting implementation of own funded projects. In order to address this under performance, the municipality will continue to further continue with the implementation of credit control policy fully and also utilizes the service of a debt collector to assist the municipality in recovering the money which is still lying with our consumers. This strategy will further be employed throughout the 2016/17 financial year in order to continue enhancing revenue collection.

## **ISSUES RAISED IN THE 2014/15 AUDITOR GENERAL'S REPORT**

- Property Plant and Equipments



- Trade and other payable from exchange transactions
- Receivable from non-exchange transactions
- Inventory
- Revenue
- Prior year opening balances and;
- Aggregation of immaterial uncorrected misstatements

In addressing the issues raised by the Auditor General, the municipality developed an action plan with time frames and responsible officials to attend to all issues raised. By the end of the financial year progress on the implementation of Auditor General Action Plan was at 100%.

## Monthly Projections of Revenue for Each Source

Sources of Revenue	Annual Target	Annual Actual Performance	Variance	Remarks	Challenges	Corrective Measures	Evidence Required
Property Rates	100 165	93 045	7 120	Rebates granted to households	None	None	Financial Reports
Service charges – electricity	105 666	95 903	9763	Challenges on electricity infrastructure and illegal connections has negative outcome on revenue	Challenges on electricity infrastructure and illegal connections has negative outcome on revenue	Meter audit must be conducted to detect electricity theft	Financial Reports
Service Charges – Refuse	15 974	13 789	2185	No challenges experienced	No challenges experienced	Acquiring of refuse compactors	Financial Reports
Rental of Facilities and Equipment	441	351	90	Not a substantial variance	None	None	Financial Reports
Interest on external Investments	475	633	-158	The municipality has balances in the call accounts which gives enough interest	None	None	Financial Reports
Interest Earned – Outstanding Debtors	70 973	42 542	28431	Long outstanding debtors by consumers of municipal services led to high interest.	Culture of non-payment	Enforcement of credit control policy	Financial Reports
Fines	381	2 030	-1649	Under budgeted	None	To adjust during adjustment budget	Financial Reports
Licenses and Permits	10 512	9 936	576	Not a substantial variance	None	None	Financial Reports
Agency services	2 381	2 484	-103	Not a substantial variance	None	None	Financial Reports
Transfers recognised - operational	112 660	112 564	96	Not a substantial variance	None	None	Financial Reports
Transfers recognised - capital	56 992	55 405	1587	INEG grant for electrification of household-Contract awarded less than total Grant received	None	Unspent grant to be reverted back to National Treasury	Financial Reports
Other Revenue	1 543	4 525	-2982	Under estimate on other income	None	To be adjusted	Financial Reports
<b>Total Revenue by Source</b>	<b>478 162</b>	<b>433 208</b>	<b>44 954</b>				Financial Reports

**Monthly Projections of Expenditure (Operating and Capital) and Revenue by Vote: ANNUAL (2015/16)**

Vote No.	Expenditure and Revenue by Vote	01-July-2015 - 30- June - 2016								
		Opex Annual Target	Annual Actual	Remarks	Capex Annual Target	Annual Actual	Remarks	Rev Annual Target	Annual Actual	Remarks
	Executive and council	45 046	41 069	Not substantial variance as is less than 10%	0	0	0	0	0	0
	Budget and Treasury	97 273	56 280	Debt Impairment to be assessed during year end	-	-	-	266 888	241 589	Rebates granted to households on property rates
	Corporate Services	46 823	29 298	Over budgeted plus internal funded projects on implemented.	4 200	2 011	Financial Constraints affected own funding projects	574	768	Not a substantial variance
	Community and Social Services	46 229	39 371	Over budgeted	-	-	-	13 278	12 812	Not a substantial variance
	Public Safety	9 921	8 459	Over Budgeted	-	-	-	251	1 743	More Fines were received than anticipated
	Economic and Environmental Services	10 721	7 021	Over Budgeted	-	-	-	55	2 410	Under budgeted-Sales of municipal land(Stands)
	Road Transport	74 779	73 749	Not a substantial variance	55 992	45 617	Financial Constraints affected own funding projects	52 978	52 571	Not substantial variance
	Electricity	119 755	106 400	Internal funded project not implemented	10 600	8 608	Financial constraints affected own funding projects	122 802	103 369	Challenges on electricity infrastructure and illegal connections has negative outcome on revenue
	Water	-	-	-	-	-	-	-	-	-
	Waste Water Management	-	-	-	-	-	-	-	-	-
	Waste Management	7 615	4 417	Over budgeted	n/a	n/a	n/a	21 337	17 949	Over budgeted
	<b>Total by Vote</b>	<b>458 162</b>	<b>366 064</b>		<b>70 792</b>	<b>56 236</b>		<b>478 162</b>	<b>433 210</b>	

**Detailed 2015/16 Annual Performance results per Key Performance Areas**

<i>Good Performance</i>	
<i>Under-Performance</i>	
<i>Partially achieved</i>	

# **KPA 1:**

## **SPATIAL RATIONALE**

**KPA 1: Spatial Rationale**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget	Annual Actual Performance	Performance variance	Remarks/ Challenges	Corrective Measures/ Interventions	Evidence Required
1.1.1	Good governance and administration	Sustain Environment	Number of supplementary valuation roll developed by 30/06/16	Director Planning & Development	1	1	Opex	1	0	The supplementary valuation roll have been adopted by council	None	Council resolution in terms of which the date of valuation was determined. Approved valuation roll
1.1.2	Good governance and administration	Sustain Environment	Number of land use & development applications processed	Director Planning & Development	20	20	opex	12	8	Only 12 applications were received, hence 12 applications were processed	Performance depend on the applications submitted.	Application register, letters issued in terms of the application

# **KPA 2: BASIC SERVICE DELIVERY**

KPA 2: SERVICE DELIVERY												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance Variance	Remarks	Corrective Measures/ Interventions	
<b>2.1 Water Services</b>												
2.1.1	Technical infrastructure	Provision of sustainable integrated infrastructure and services	% of Reduction of water losses in urban areas by 30/06/2016	Director Technical Services	None	15%	Opex	42%	There was no baseline.	High losses is as a result of Lulekani rura areas receiving water from same main line with urban areas, thus increasing the losses.	The municipality will install separation of billing for Lulekani rural and urban areas.	Lepelle/ Consmuch Mine water bill and Municipal water bill to customers
<b>2.2 Electricity</b>												
2.2.1	Technical infrastructure	Provision of sustainable integrated infrastructure and services	Number of new consumer connections units to the BPM electricity network by 30/06/2016	Director Technical Services	1190	700	R7million	1295	+ 598	338 connection was done by the municipality 957 connections were done by Eskom	None	Project completion report
2.2.2	Technical infrastructure	Provision of sustainable integrated infrastructure and services	% of reduction in technical electricity losses by 30/06/2016	Director Technical Services	None	15%	Opex	18,6%	3,6%	Installation of modem will improve the accuracy of electricity loses	None	BPM billing to consumers and Eskom bill
2.2.4	Technical infrastructure	Provision of sustainable integrated infrastructure	Expenditure on electricity capital funding spent	Director Technical Services	R19.8mil	R10.6m	R10.6m	R 5 088, 239.47	R4911 760,53	The under expenditure was due financial constrain for internal projects	The project will be implemented on the next financial year	Payment Certificates and Expenditure Reports



KPA 2: SERVICE DELIVERY												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance Variance	Remarks	Corrective Measures/Interventions	
		and service										
2.5 Roads & Storm Water												
2.5.1	Technical infrastructure	Provision of sustainable integrated infrastructure and services	Number of km of gravel roads upgraded to tar by 30/06/2016	Director Technical Services	4.5km	5km	R19.7m	7.8km	+R2.2km	B1 extension and Foskor were completed	None	Project Report. Projects completion certificates and report
2.5.2	Technical infrastructure	Provision of sustainable integrated infrastructure and services	Number of km of tarred roads rehabilitated at Phalaborwa town by 30/06/2016	Director Technical Services	0	1km	R3m	1.4km	+400m	The scope of work during assessment was 1km. It was realised that 400m to make 1.4km was required to do the rehabilitation.	None	Progress Report  Projects Completion Report, Project completion certificate
2.5.3	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on roads capital funding spent	Director Technical Services	R21.4m	R23.9 m	R23.9m	R 39 906 203.49	R 16 026 203	Additional funds from MIG due to best performance	None	Payment Certificates and Expenditure Reports

## **KPA 3:**

# **MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

**KPA 3: Municipal Financial Viability and Management**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Actual Performance	Performance Variance	Remarks/Challenges	Corrective Measures/Interventions	
<b>3.1 Financial Management</b>												
3.1.1	Good governance and administration	Good corporate governance and public participation	Number of approved budget planning schedule by 31/08/2015 (Legislated date)	Chief Financial Officer	1	1	OPEX	1	0	Approved by Council on the 30/07/2015	None	approved budget planning schedule
3.1.2	Good governance and administration	Good corporate governance and public participation	Number of approved Draft Budget by Council by 31/03/2016 (3 months before the start of the new financial year)	Municipal Manager	1	1	OPEX	1	0	Council Approved the draft budget on the 31 <sup>st</sup> March 2016	None	Draft Budget document; Council Resolution
3.1.3	Good governance and administration	Good corporate governance and public participation	Number of approved Final Budget by Council by 31/05/2016 (1 month before the start of the new financial year)	Municipal Manager	1	1	OPEX	1	0	Council Approved the annual budget on the 27 <sup>th</sup> May 2016	None	Final Budget approved by Council. Council resolution
3.1.4	Good governance and administration	Good corporate governance and public participation	Number of reviewed budget related policies by	Chief Financial Officer	21	21	OPEX	21	0	Council Approved the reviewed budget	None	Approved budget related policies

**KPA 3: Municipal Financial Viability and Management**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Actual Performance	Performance Variance	Remarks/Challenges	Corrective Measures/Interventions	
			31/03/2016							related Opolicies on the 31 <sup>st</sup> March 2016		
3.1.5	Good governance and administration	Good corporate governance and public participation	Number of Supply Chain structures / Committees members appointed by 07/07/2015	Municipal Manager	3	3	OPEX	3	0	Appointed on the 06/07/2015	None	Appointment letters of bid committees members
3.1.6	Governance and administration	Improve financial viability	Number of movable asset verifications conducted by 30/06/2016	Chief Financial Officer	4	4	OPEX	4	0	Assets verification for was conducted on each quarter	None	Quarterly assets verifications reports
3.1.7	Governance and administration	Improve financial viability	Number of S71 reports submitted within 10 days at the end of each month to National and Provincial Treasury	Chief Financial Officer	12	12	OPEX	12	0	Reports are submitted within 10 working days	None	Proof of submission within 10 days.
3.1.8	Governance and administration	Improve financial viability	% of improvement in revenue collection (improvement from 65% to	Chief Financial Officer	65%	80%	OPEX	53%	27%	Culture of non-payments, illegal connections	Continues cutting of services	Quarterly reports on revenue collection

**KPA 3: Municipal Financial Viability and Management**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Actual Performance	Performance Variance	Remarks/Challenges	Corrective Measures/Interventions	
			80% by end 30/06/2016 budget year									
3.1.9	Good governance and administration	Good corporate governance and public participation	Number of updated indigent register by 30/06/2016	Chief Financial Officer	1	1	OPEX	1	0	Updated Indigent register as at 30 June 2016	None	Updated indigent register
3.1.10	Good governance and administration	Improve financial viability	Monitoring expenditure on MIG	Chief Financial Officer	R29m	R31,044m	OPEX	R51,044m	+R20m	Additional R20 million was received on MIG and it is fully spent	None	Finance reports, MIG monitoring report

**KPA 4:**

**LOCAL ECONOMIC DEVELOPMENT**

KPA 4: Local Economic Development												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Actual Performance Remarks	Performance Variance	Remarks/Challenges	Corrective Measures/Interventions	
<b>4.1 Job creation</b>												
4.1.1	Economic	Promotion of local economy	Number of jobs created through capital projects by 30/06/2016 (Temporary jobs)	Director Technical Services	235	155	R2.m	138	17	Underperformance was due to Mashishimale project which contractor was manufacturing precast slab.	Monitoring of capital projects to ensure there are no delays.	ID Numbers of people appointed and Payroll Reports
4.1.2	Economic	Promotion of local economy	Number of jobs created through the EPWP approach on the implementation of the 2015/16 Approved Capital Programme	Director Technical Services	80	40	R1.1m	80	+40	Overachievement was due to the addition of work for two months	None	ID Numbers of people appointed and Payroll Reports
<b>4.2 Enterprise Support</b>												
4.2.1	Economic	Promotion of local economy	Number of SMMEs supported through the municipal SCM (procurement) by 30/06/2016.	Chief Financial Officer	120	80	OPEX & CAPITAL	101	+21	The municipality exceeded the target by 21. More SMME's were supported through Supply Chain procurement.	None	System generated Expenditure report

KPA 4: Local Economic Development												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Actual Performance Remarks	Performance Variance	Remarks/Challenges	Corrective Measures/Interventions	
4.2.2	Economic	Promotion of local economy	Number of SMMEs applications supported through Municipal Local Economic Development (Business Space)	Director Planning and Development	None	6	OPEX	3	3	3 Municipality to have tariffs of all its rental infrastructure .Applications approved by council.	The performance depend on the application received.	Application Forms and approval of the application. Service Level Agreement
4.3 Tourism Development												
4.3.1	Economic	Promotion of local economy	Number of municipal tourism events undertaken by the municipality by 30/06/2016	Director Planning & Development	3	3	R500	3	0	September Tourism during the month of September 2015, Marula Festival during the month of February 2016, Rand Easter Show between the month of March and April 2016 and Durban Indaba during the month of May 2016.	None	Pamphlets, Broachers', Attendance Registers,



**KPA 5:**

**Municipal Transformation and  
Institutional Development**

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
<b>5.1 Organisational Design &amp; Human Resource</b>												
5.1.1	Good governance and administration	Attract, develop and retain best human capital	Number of reviewed Municipal Organisations structure by 30/06/2016	Director Corporate Services	1	1	OPEX	1	0	Approved by council on 28 May 2016. Council resolution no 269/16	None	
5.1.2	Good governance and administration	Good corporate governance and public participation	Number of HR Policies Reviewed by 30/06/2016	Director Corporate Services	6	8	OPEX	10	+2	The following policies have been approved:  Induction Manual 345/15,  Employee transfer 355/15,  Job satisfaction 356/15,  Experiential learning 56/16,  Overtime 57/16,  Staff study bursary 58/16,  Acting on higher positions 59/16,  Personnel Protective Equipment	None	

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										policy 220/16, Exit Policy 221/16, Code of Conduct 236/16		
5.1.4	Good governance and administration	Attract, develop and retain best human capital	Number of S56 Senior Managers position filled by 30/06/2016	Director Corporate Services	3	3	OPEX	3	0	The positions of Directors: Community and Social Services, Planning and Development and Technical Services were appointed.  The position of CFO has been finalised. Awaiting decision by Council to appoint.	None	Appointment letters; appointment register, details of new employees and copies of adverts.
5.1.5	Good governance and administration	Attract, develop and retain best human capital	Number of vacant positions to be filled by 30/06/2016	Director Corporate Services	25	20	OPEX	25	+5	The following positions were filled:  Assistant Director: Roads and storm	None	Appointment letters; appointment register, details of new employees and copies of adverts

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										water,  PMS Officer  2 Plant Operators,  Assistant Director: Risk Management,  Assistant Director: Planning & Human Settlement,  Chief Accounting clerk: Enquiries  Secretary to the Director: Corporate Services,  Director: community and		

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										Social Services  Chief Accounting Clerk: Sundry debtors,  Director: Planning & development  Communications Researcher,  Traffic Officer grade 1,  Deputy Director: electrical Services,  Assistant Director:  Strategic Planning,		

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										Director: Technical Services,  Assistant Financial Officer: Financial Control & Expenditure,  Assistant Director: LED  Assistant Director: Asset Management,  Technician: Water and Sanitation,  Superintendent: Mechanical,  Technician:		

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										building  Manager: Human settlement,  Senior Accountant: Fleet Management  Chief Admin clerk: Human Settlement		
<b>5.2 Employment Equity</b>												
5.2.1	Good governance and administration	Good corporate governance and public participation	Number of employees from previously disadvantaged groups appointed in the three highest levels of management	Director Corporate Services	1	4	OPEX	9	+5	Director: Planning and Development,  Director: Community and Social Services	None	Appointment letters; appointment register, Proof of Disadvantaged Employees

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
			as per EEP(PL 0,2,3) by 30/06/2016							Director: Technical Services  Assistant Director: Roads and Storm water,  Assistant director: Planning and Human Settlement,  Assistant Director: Strategic Planning,  Assistant Financial Officer: Financial Control & Expenditure  Assistant		



**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										Director: Local Economic Development  Assistant Director: Asset Management		
<b>5.3 Skills Development</b>												
5.3.1	Good governance and administration	Attract, develop and retain best human capital	Number of Reviewed and submitted Skills Development Plan by 30/04/2016 (Number of people trained in terms of Work Skills Plan)	Director Corporate Services	1	1	OPEX	1	0	Submitted on the 21 April 2016	None	WSP & proof of submission to LG SETA
5.3.2	Good governance and administration	Attract, develop and retain best human capital	1% of municipal budget (salary budget) allocated for work place skills plan for 2015/16 Budget.	Director Corporate Services	R1,5m	R2,8m	R2,8m	R2 069 462,18	R814 669,82	Due to the municipality's financial constraints, other training interventions could not be implemented.	Trannings will be implemented in the next financial year.	Expenditure reports; implementation reports
<b>5.4 Performance Management System</b>												
5.4.1	Good governance	Good corporate governance and	Number of S54&56	Municipal	6	6	OPEX	6	0	Annual Performance	None	Copies of signed Performance

**KPA 5: Municipal Transformation and Institutional Development**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target 30/06/16	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
	and administration	public participation	signing of Annual Performance Agreements by 30/07/2015 (One month after the start of each financial year – 6 s57 managers)	Manager						Agreements for sec 54 & 56 Managers were signed on 30/07/2015		Agreements with dates complying the legislated time line & submission letters to COGHSTA.
5.4.2	Good governance and administration	Good corporate governance and public participation	Number of Individual Performance Assessments of s56 Managers conducted to review their performance by 30/06/2016 (Mid – year/Annual)	Municipal Manager	2	2	OPEX	2	0	Assessments were conducted on 29 March 2016	None	Approved Schedule of Individual Performance Assessments, Assessments records, attendance registers and Scorecards and reports
<b>5.5 OHS</b>												
5.5.1	Good governance and administration	Good corporate governance and public participation	Number of schedule Institutional OHS meetings by 30/06/2016	Director: Corporate Services	4	4	OPEX	3	1	Due to labour unrest, we couldn't convene for the fourth quarterly meeting	The municipality will try to maintain Labour Stability.	4 Quarterly Reports, minutes and attendance registers

**KPA 6:**

**GOOD GOVERNANCE & PUBLIC  
PARTICIPATION**

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
<b>6.1 Council and Executive Management</b>												
6.1.1	Good governance and administration	Good corporate governance and public participation	Number of scheduled Council meetings held by 30/06/2016	Director Corporate Services	7	7	OPEX	19	+12	7 Ordinary Council meetings and 12 Special Council meetings	None	Minutes of council meetings, attendance registers
6.1.2	Good governance and administration	Good corporate governance and public participation	Number of scheduled Exco meetings held by 30/06/2016	Director Corporate Services	11	11	OPEX	23	+12	11 Ordinary Exco meetings and 12 Special Exco meetings	None	Minutes of EXCO meetings, attendance registers
6.1.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled MPAC meetings held by 30/06/2016	Municipal Manager	8	4	OPEX	12	+8	4 Ordinary and 8 Special meetings held	None	Council Approved MPAC schedule of meetings/Attendance registers
6.1.4	Good governance and administration	Good corporate governance and public participation	Number of scheduled senior management meetings held by 30/06/2016	Municipal Manager	11	11	OPEX	20	+9	11 Ordinary and 9 Special meetings held	None	Minutes of EXCO meetings, attendance registers
6.1.5	Good governance and	Good corporate governance and public	Number of scheduled Portfolio	Municipal Manager	55	55	OPEX	66	+11	55 Ordinary Portfolio committee	None	Minutes of EXCO meetings, attendance

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
	administration	participation	Committee meetings held by 30/06/2016							meetings held and 11 special		registers

**6.2 Public Participation and Ward Committees**

6.2.1	Good governance and administration	Good corporate governance and public participation	# of IDP Rep Forum meetings held by 30/06/2016	Municipal Manager	6	6	OPEX	4	2	1 meeting was not held due to long sick leave by the responsible official. The other remaining meeting was not held due to circular issued by Treasury advising the municipality to adopt IDP & Budget before end April 2016.	Three presentations were presented in one meeting to cover the two meetings which were not held.	Attendance registers, agendas, invitations
6.2.2	Good governance and administration	Good corporate governance and public participation	# of IDP Steering Committee meetings held by 30/06/2016	Municipal Manager	6	6	OPEX	4	2	1 meeting was not held due to long sick leave by the responsible official. The other remaining	Three presentations were presented in one meeting to cover the two meetings which were	Attendance registers, agendas, invitations

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										meeting was not held due to circular issued by Treasury advising the municipality to adopt IDP & Budget before end April 2016.	not held.	
6.2.3	Good governance and administration	Good corporate governance and public participation	# of Ward Committee meetings scheduled and convened per ward by 30/06/2016 (Functionality of ward committees)	Municipal Manager	11	11	OPEX	11	0	11 Ward Committee meetings scheduled and convened. All 18 wards managed to convene ward committee meetings.	None	Consolidated Batho-Pele Reports
6.2.4	Good governance and administration	Good corporate governance and public participation	Number of Mayoral Imbizos held	Municipal Manager	4	4	OPEX	3	-1	There are 3 mayoral Imbizos in the process plan. Public participation on draft IDP and Budget is regarded as Imbizo with reasons that	None	Attendance registers, Imbizo reports

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
										the mayor give report of the performance of the municipality during the public participation meetings.		
<b>6.3 Corporate Governance</b>												
6.3.1	Good governance and administration	Good corporate governance and public participation	Number of Audit Committee meetings held	Municipal Manager	7	7	OPEX	10	+3	The AC was appointed by Council to do Investigation and this caused meetings to be more than expected.	None	Copies of approved minutes, attendance registers
6.3.2	Good governance and administration	Good corporate governance and public participation	Number of approved Audit Committee Charter by 30/06/2016	Municipal Manager	1	1	OPEX	1	0	Audit committee charter approved by the 30/09/2015	None	Approved Audit Committee Charter
6.3.3	Good governance and administration	Good corporate governance and public participation	Number of Audit Steering Committee held by	Municipal Manager	12	12	OPEX	16	+4	The Weekly Steering Committee were held due to monitoring	None	Approved minutes and attendance registers. (Exco and

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
			30/06/2016							of AG audit and AFS preparation.		Management)
6.3.4	Good governance and administration	Good corporate governance and public participation	Number of Risk-based Audit Plan reviewed approved by 30/06/2016	Municipal Manager	1	1	OPEX	1	0	The Risk-Based Audit Plan was approved by Council on the 30 June 2016	None	Approved Risk-based audit plan.
6.3.5	Good governance and administration	Good corporate governance and public participation	% Implementation of IA Plan by 30/06/2016	Deputy Director: Internal Audit	100%	100%	OPEX	100%	0	IA Plan was 100% implemented	None	Audit Committee Report to Council.
6.3.6	Good governance and administration	Good corporate governance and public participation	% Implementation of Internal Audit Action Plan by 30/06/2016	Municipal Manager	50%	100%	OPEX	77%	-23%	The underperformance is caused by delays in implementation of IA recommendations by management	EXCO Audit Steering Committee was established were progress is monitored by EXCO.	Internal Audit Follow-up Report
6.3.7	Good governance and	Good corporate governance and public	Number of Audit Committee	Deputy Director: Internal	2	4	R70000	4	0	Reports were submitted on the 30	None	Audit Committee



**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
	administration	participation	Reports presented to Council by 30/06/2016	Audit						September 2015, 30 November 2015 and 30 June 2016		Reports
6.3.8	Good governance and administration	Good corporate governance and public participation	Number of community satisfaction survey on municipal services conducted by 30/09/2016	Director Planning & Development	1	1	OPEX	1	0	Community Satisfaction Survey was conducted in September 2015	None	Community Satisfaction Survey Report
6.3.9	Good governance and administration	Good corporate governance and public participation	Number of 2014/15 AFS and Annual Performance Report submitted to AG by 31/08/2015	Municipal Manager	1	1	OPEX	1	0	2014/15 AFS and Annual Performance Report were submitted to AG on 31/08/2015	None	Submission letter and copy of final AFS
6.3.10	Good governance and administration	Good corporate governance and public participation	Number of developed AG Action Plan approved to address the 2014/15 AG Report	Municipal Manager	1	1	OPEX	1	0	Development of the AG Action Plan - 31/12/2015	None	Approved AG Action Plan by Council

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
			findings by 30/06/2016.									
6.3.11	Good governance and administration	Good corporate governance and public participation	% of implementation of AG Action Plan by 30/06/2016	Municipal Manager	75%	80%	OPEX	55%	-25%	Delays are caused by items which need special skills and others are delays by management.	EXCO Audit Steering Committee was established were progress is monitored by EXCO.	Audited AG Action Plan and Portfolio of Evidence
6.3.12	Good governance and administration	Good corporate governance and public participation	Number of Local Labour Forum meetings held by 30/06/16	Corporate Services	11	11	OPEX	18	+7	11 Ordinary meetings and 7 special meetings	None	LLF minutes and attendance register.
<b>6.4 Risk Management, Fraud &amp; Anti-Corruption</b>												
6.4.1	Good governance and administration	Good corporate governance and public participation	Number of reviewed fraud and anti-corruption strategy approved by 30/06/2016	Municipal Manager	1	1	OPEX	1	0	Approved on 28/05/2016	None	Approved fraud and Anti-Corruption strategy by council (Council resolution)
6.4.2	Good governance and administration	Good corporate governance and public	Number of Reviewed Institutional Strategic	Municipal Manager	1	1	OPEX	1	0	Approved on 28/05/2015	None	Approved Institutional Strategic Risk

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
		participation	Risk Register approved by 30/06/2016									register
6.4.3	Good governance and administration	Good corporate governance and public participation	Number of quarterly Institutional Risk Management Committee meetings held by 30/06/2016	Municipal Manager	4	4	OPEX	3	-1	Meeting held on the 14/01/2016  20/04/2016  16/05/2016. One meeting not held as there was no chairperson.	Independent chairperson appointed in the second quarter.	Minutes of the Risk Committee meeting and attendance register
<b>6.6 HIV/AIDS</b>												
6.6.1	Good governance and administration	Provision of sustainable integrated infrastructure and services	Number of outreach programmes conducted by 30/06/2016	Director Community & Social Services	16	16	OPEX	17	+1	The municipality managed to conduct 16 outreach programmes and exceed the target by 1 outreach programme.	None	Outreach programmes reports
<b>6.7 Security Management</b>												
6.7.1	Governance and Administration	Good corporate governance and public participation	Number of Security Management reports for Safeguarding	Municipal Manager	4	4	OPEX	4	0	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> Quarter Report compiled	None	Security Management Reports

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
			of Council Assets by 30/06/16									
<b>6.8 Disaster Management</b>												
6.8.1	Governance and Administration	Good corporate governance and public participation	Number of disaster management forum meetings held by 30/06/2016	Municipal Manager	4	4	OPEX	4	0	4 Disaster management forum meeting were held.	None	Agenda, attendance registers
<b>6.9 Performance Management System</b>												
6.9.1	Governance and Administration	Good corporate governance and public participation	Number of Mid-Year Budget and Performance Assessment Report submitted to council	Municipal Manager	1	1	OPEX	1	0	Budget and Performance Assessment Report were submitted to council	None	<b>Council approval and resolution</b>
6.9.2	Governance and Administration	Good corporate governance and public participation	Number of 2014/15 Draft Annual Report approved by 31/01/16	Municipal Manager	1	1	OPEX	1	0	Annual report approved on 28 January 2016	None	Council Approved 2014/15 Draft Annual Report with Council Resolution
6.9.3	Governance and Administration	Good corporate governance and public	Number of Oversight	Municipal Manager	1	1	OPEX	1	0	Oversight report and	None	Council Approved Oversight Report and Council

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
		participation	Report on 2014/15 Draft Annual Report approved by 31/03/16							annual report were approved on 31 March 2016		Resolution
6.9.4	Good governance and administration	Good corporate governance and public participation	Number of reviewed 2015/16 SDBIP approved by 31/03/16	Municipal Manager	1	1	OPEX	1	0	Reviewed SDBIP approved by the Mayor on 31/03/16	None	Reviewed SDBIP signed by the Mayor
6.9.5	Good governance and administration	Good corporate governance and public participation	Number of Draft 2016/17 SDBIP submitted to the Mayor for approval by 14/06/2016 (14 days after the adoption of the IDP and Budget)	Municipal Manager	1	1	OPEX	1	0	Draft 2016-17 SDBIP approved by the Mayor on 07 April 2016	None	2016/17 Draft SDBIP approved by the Mayor (Signed and Dated)
6.9.6	Good governance and administration	Good corporate governance and public participation	Number of approved Final 2016/17 SDBIP (28 days after the adoption of the IDP and	Municipal Manager	1	1	OPEX	1	0	The final SDBIP was approved by the Mayor on 25 June 2016	None	2016/17 Draft SDBIP approved by the Mayor (Signed and Dated)

**KPA 6: Good Governance and Public Participation**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/15)	Annual Target (30/06/16)	Budget					Evidence Required
								Annual Actual Performance	Performance variance	Remarks/Challenges	Corrective Measures/Interventions	
			Budget) approved by mayor									
<b>6.10 Integrated Development planning</b>												
6.10.1	Governance and Administration	Good corporate governance and public participation	Number of reviewed IDP/Budget/PMS/MPAC Framework and Process Plan approved by 31/07/15	Municipal Manager	1	1	OPEX	1	0	Process plan was approved by council on 30 July 2015	None	Council Approved IDP, Budget, PMS Process Plan
6.10.2	Governance and Administration	Good corporate governance and public participation	Number of 2016/17 Draft IDP approved by 31/03/16	Municipal Manager	1	1	OPEX	1	0	Draft 2016/17 IDP was approved on 31 March 2016	None	<b>Council resolution (Council approve 2016/17 Draft IDP)</b>
6.10.3	Governance and Administration	Good corporate governance and public participation	Number of 2016/17 Final IDP approved by 28/05/16	Municipal Manager	1	1	OPEX	1	0	Final 2016/17 IDP was approved on 27 May 2016	None	<b>Council resolution (Council approve 2016/17 Final IDP)</b>

# **CAPITAL PROJECTS PER RESPONSIBLE MANAGER**

Vote No.	Responsible Manager	Project Name	Total Capital Budget (R'000)	Planned Start Date	Planned Completion Date	Ward No.	Annual Outputs 2015/16					
							Annual Target 01 July- 30 Jun 16	Annual Actual Performance 01 July- 30 Jun 16	Annual Actual Performance variance 01 July- 30 Jun 16	Challenges & Corrective Measures Taken	Evidence required	
<b>Electricity</b>												
	Director Technical	Installation of backup generator	R600	01/07/15	30/06/16	11 & 12	R600	R0	R0		The project is at adjudication stage.	
	Director Technical	Upgrade of switchgear and Protection relays at Cleveland	R3m	01/07/15	30/06/16	11 & 12	R3m	R0	R0		Adjudication has been completed waiting for the vetting report.	Bid Committees minutes and registers, advertisements. Progress reports and completion report and completion certificates
<b>Roads and Storm Water</b>												
	Director Technical	Rehabilitation of street in Phalaborwa,	R3m	01/07/15	30/06/16	11	R3m	R3m	R3m		The project has been completed on the 3 <sup>rd</sup> quarter	Progress reports and completion report and completion certificates
	Director Technical	Roads and Storm water master plan	R1m	01/07/15	30/12/15	All wards	R1m	R1m	R 1m		The project has been completed.	Progress reports and completion report and completion certificates
	Director Technical	Construction of Storm water culvert between Maseke and Mashishimale R1	R500	01/07/15	30/06/16	8 & 10	R500	R0	R0		The project was advertised and non-responded.	Bid Committees minutes and registers, advertisements, Progress reports and completion report and completion certificates
<b>Building</b>												



	Director Technical	Design of Municipal building	R500	01/07/15	30/06/16	11	R500	R500	Ro	The design were completed in the 2 <sup>nd</sup> quarter	Progress report, structural design and payment certificate
<b>Parks and Cemetery</b>											
	Director Community Services	Namakgale Cemetery fencing	R1m	01/07/15	30/06/16	1	R1	RO	RO	The project will be re-advertised.	Bid Committees minutes and registers, advertisements .Progress reports and completion report and completion certificates
<b>IT</b>											
	Director Corporate	Development of Disaster recovery Plan and Business Continuity Plan	R500	01/07/15	30/06/16		R500	0	Business Continuity Plan- BCP Draft Policy in place  Disaster Recovery Plan DRP with Business Impact Assessment- BIA Approved on 26 <sup>th</sup> May 2016 as CR 239/16 (1/2/5/35)		Progress report and payment certificate
	Director Corporate	Upgrading of ICT Infrastructure (Cabling , Computers , Switches , Servers ,printers , wireless and Laptops	R1.5m	01/07/15	30/06/16		R1,5m	R1 321 385.17	4 switched Bought  Fibre Installed at Stores  Symantec Antivirus License renewed  Secured Sockets Layer -SSL and Exchange Certificate request done	Order for Secured Sockets Layer( SSL) and Exchange Certificate not signed	Progress report and payment certificate
<b>Municipal Transformation and Institutional Development</b>											
	Director	Centralized Archives	R500	01/07/15	30/06/16		R500	0	R500	Financial constraints	Progress report and payment certificate

	Corporate										
	Director Corporate	Furniture & Equipment	R1m	01/07/15	30/06/16		R1m	R612 841.11	R387 158.99	Financial constraints	Progress report and payment certificate
	Director Corporate	Revamp of Chamber and Mayoral Parlour	R700	01/07/15	30/06/16		R700	R340 141.98	R359 858.02	Financial constraints	Progress report and payment certificate
<b>MIG</b>											
	Director Technical	Mashishimale sport complex	R12,338 m	01/07/15	30/06/16	8 & 9	R12,338M	R 10,547,195 million	R 1790,805.00 the under expenditure was due to road project which were progressing well.	The project is progressing well.	Progress report and payment certificate
	Director Technical	Tambo street paving	R2,960 m	01/07/15	30/06/16	14	R2,960m	R497,612..00	R 2,462,388	The project has been completed	Progress report and completion report and completion certificates
	Director Technical	Upgrading of B1 Extension road	R7,134 m	01/07/15	30/06/16	15	R7,134m	R7,081,846	R 52 154	The project has been completed	Progress report and completion report and completion certificates


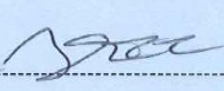
	Director Technical	Upgrading of internal street at FOSKOR	R18,385 m	01/07/15	30/06/16		R18.385m	R21,677,701 million	R3, 292,701 Over expenditure was due to re-establishment of the site after contractor completed phase 2. When we receive additional funds we requested the contractor continue with the phase 3 and the professional fees for supervision was paid.	The entire project is completed phase 1, 2 and 3	Progress report and completion report and completion certificates
	Director Technical	Benfarm street paving	R1,344 m	01/07/15	30/06/16	03	R1,344M	R1,335,505	Expenditure for design fees	The project will be re-advertised.	Preliminary design report and detailed design report
	Director Technical	Selwane sport complex	R1,500 m	01/07/15	30/06/16	18	R1,500m	R1,500,000	The expenditure for design fees	The project will be re-advertised.	Preliminary design report and detailed design report
	Director Technical	Topville to score street paving	R6,329 m	01/07/15	30/06/16	06	R6,329m	R 7,817,696 Million	Extra expenditure was due to additional fund	The project is progressing but behind schedule.	Bid Committees minutes and registers, advertisements .Progress reports and completion report and completion certificates

										from MIG		
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**INEG**

	<i>Director Technical</i>	Electrification of Biko Ext and Nina Nkulu	R7m	<i>01/07/15</i>	30/06/16	16 & 17	R7M	R5,088,239.47 Million	The saving was due to other area covered by Eskom	The project has been completed.	Bid Committees minutes and registers, advertisements. Progress reports and completion report and completion certificates
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# ANNUAL PERFORMANCE APPROVAL

Approval by the Mayor	The SDBIP is a management and implementation plan (and not a policy proposal) and is therefore not required to be approved by the Council. The approval of the SDBIP is a competency reserved for the Municipal Manager and the Mayor of the Municipality in terms of Section 53 of the MFMA.
Monitoring implementation of the SDBIP	Progress against the objectives set out in the SDBIP will be monitored and reported on a monthly, quarterly, half-yearly and annual basis.
Signatures	<p style="text-align: center;"><b>2015/16 Annual Performance Report Compiled by:</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Dr. SS Sebashe Municipal Manager</p> </div> <div style="text-align: center;"> <p>31/08/2016</p> <p>Date</p> </div> </div> <p style="text-align: center; margin-top: 20px;"><b>2015/16 Annual Performance Report Approved By:</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Cllr PJ Shayi Mayor</p> </div> <div style="text-align: center;"> <p>31/08/2016</p> <p>Date</p> </div> </div>

SEE ATTACHED 2015/16 ANNUAL FINANCIAL STATEMENTS (AUDITED)

**APPENDIX N – AUDIT COMMITTEE REPORT FOR FINANCIAL YEAR 2015/16**

# Audit Committee Audit Report



## **Audit Committee Report to the Council for the financial year ended 30 June 2016**

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

### **Audit committee members**

The Audit Committee was able to meet four (4) times during the financial year under review as per the approved terms of reference. The Internal Auditor is the permanent invitee to the Audit Committee, and has unrestricted access to bring any matter within their scope and responsibility to the attention of the committee.

The members of the audit committee are all independent members of the Municipality and include:

<b>Name of the Member</b>	<b>Status</b>
Mr. K.P Ravhudzulo CA(SA)	Chairperson
Mr. Hlomane HG	Member
Ms. Mangoma	Member
Ms. Mbonambi KG	Member
Adv. Thubakgale L	Member

### **Audit committee responsibility**

The audit committee reports that it has complied with its responsibilities arising from section 166 of Municipal Finance Management Act, 2003, (Act 56 of 2003), section 79 of Municipal Structures Act 117, 1998 (Act 117 of 1998) and paragraph 14 (2)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 and the King III Report on the Best Practices on Corporate Governance for South Africa. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, and regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### **The effectiveness of internal control**

The systems of internal controls applied by the Municipality over financial and risk management have improved. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls of the



Municipality have been fairly designed, however they are not efficient and effective. This is as a result of inadequate risk management process, as well as failure to identify corrective actions and suggested enhancements to the controls and processes.

From the Audit Report of the Auditor-General South Africa on the annual financial statements of the municipality, it was noted that the Municipality audit opinion regressed from qualified audit opinion in prior year to a disclaimer audit opinion for the year under review. We recommended that management should implement an action plan to address all the findings raised by the Auditor General in order to strengthen the efficiency and effectiveness of the systems of internal controls over financial reporting.

#### **Evaluation of Annual Financial Statements**

The audit committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Municipality management;
- Reviewed the Municipality compliance with legal and regulatory provisions;
- Reviewed the Auditor General's management report and audit report
- Reviewed significant adjustments resulting from the audit.

#### **Internal audit**

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Municipality and its audits. Internal audit performed the audit of internal controls of the Municipality and through the information provided. The Audit Committee is concerned with the effectiveness of the internal controls during the financial year. The Committee has noted that there is a lack of monitoring, oversight and implementation by Management in managing internal controls.

#### **Risk management**

The Audit Committee is satisfied that risk management is continually improving within the Municipality. However, management needs to ensure that there is improved co-ordination between risk management and strategic planning functions, so that resources can be allocated in an optimal manner to address the top risks of the Municipality.

#### **Pre-determined objectives**

The Audit Committee is satisfied that preparation and reporting on pre-determined objectives of the Municipality is improving. It was recommended that continuous training should be provided to the Performance Management System Officers.

#### **Auditor-General of South Africa**

The Audit Committee in consultation with management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues. The 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. The auditors remain independent throughout the financial year.

### **Reporting**

The Audit Committee tabled its quarterly reports to the Municipality Council, reporting on matters attended to during the relevant quarter.

### **Appreciation**

The Audit Committee wishes to thank Municipality Council, management and the staff for their continued commitment to improve effective control environment and good governance of Municipality. Our appreciation is also extended to the team from the AGSA for the independent value that they continue to add to the Municipality.



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Mr K.P Ravhudzulo CA (SA)  
Chairperson

## APPENDIX

### List of Acronyms

EXCO	Executive Committee
AG	Auditor General
MIG	Municipal Infrastructure Grant
BPM	Ba-Phalaborwa Municipality
COGHSTA	Corporative Governance, Human Settlement and Traditional Affairs
COGTA	Corporative Governance and Traditional Affairs
CDW	Community Development Workers
LLF	Local Labour Forum
AC	Audit Committee
AG	Auditor General
EXCO	Executive Committee
GEAR	Growth, employment and redistribution
GIS	Geographical Information System
GDP	Growth Development Product
IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
IT	Information Technology
IGR	Inter-Governmental Relations
ICT	Information and Communication Technology
ISCOR	Institute for International Security and Conflict Resolution
IDP	Integrated Development Plan
KNP	Kruger National Park
LED	Local Economic Development
LEGDP	Limpopo Employment and Growth Development
LUMS	Land Use Management Scheme
MDM	Mopani District Municipality
MPCC	Multi-Purpose Community Centre
MPAC	Municipal Public Accounts Committee
MSA	Municipal Structures Act
NDPG	Neighbourhood Development Partnership Grant
SDF	Spatial Development Framework
SDI	Spatial Development Initiatives
STATS SA	Statistics South Africa
SANRAL	South African National Road Agency
MEC	Member of Executive Council
SAPS	South African Police Service
SALGA	South African Local Government Association
SMME	Small Medium and Micro Enterprise
PMC	Phalaborwacc Mining Company
PMS	Performance Management System
MFMA	Municipal Finance Management Committee
DORA	Division of Revenue Act
GRAP	Generally Recognise Accounting Practise
KPI	Key Performance Indicator
KPA	Key Performance Area
LGSETA	Local Government Sector Education Training Authority
LUMS	Land Use Management System
SDF	Spatial Development Framework
SPLUMA	Spatial Planning Land Use Management Act
EPWP	Expanded Public Works Programme
CWP	Community Workers Programme
CFO	Chief Finance Officer
IA	Internal Audit
SCM	Supply Chain Management