



Ngwathe

MUNICIPALITY

The home of harmony, prosperity and growth

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DRAFT

VISION, MISSION AND VALUES

VISION

“To provide excellent and sustainable municipal services”

MISSION STATEMENT

To provide quality and sustainable services in an efficient, effective & economic manner to all communities through the promotion of community participation, good governance & improved intergovernmental values.

CORE VALUES

Transparency: We practice good corporate governance, openness and strive to understand the needs of our community at all times.

Commitment: We are dedicated to the services we render to the community. We are committed to realize the objective of local government in South Africa.

Accountability: We respect and value our people and ensure that we are accountable and responsible on all aspects of our work.

Integrity: We perform our work diligently with integrity and courage to ensure that our communities are able to trust and believe in us.

Democracy: We encourage adherence to the constitution of the country, by allowing everybody to exercise their rights.

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

Let me start by extending my greetings to all the residents of Ngwathe Local Municipality as a whole.

May I also thank the residents for their resilient participation in all processes that led to the successful implementation of our IDP.

I also wish to thank all Councillors and Management of Ngwathe Local Municipality for your unqualified support throughout challenging times, your attitude attest to our Vision as a "well-established local municipality of integrity and a leader of best practices. Ngwathe Municipality is a high performance organisation, gearing itself to a World Class City, which offers challenges and opportunities to all its employees at all levels.

As we engage in the review of our current financial year IDP, we are in a better position to address the needs of our communities. We have made strides with our interdepartmental forums and sister departments in realising the following achievements;

- Heibron Upgrading of sewer treatment works
- Parys/Tumahole/Schonkenville Upgrading of pumps and pipelines.
- Mokwallo Construction of Sports Complex Phase 1
- Parys Erection of Fencing at Reservoir Phiritona fencing of 5 cemeteries
- Koppies/ Kwakwatsi construction of storm water channel.
- Heibron Upgrading of water treatment works
- Edenville Upgrading of Sports ground.
- Mokwallo Construction of Sports Complex Phase 2
- Heilbron/Phiritona Paving of internal roads 1km
- Mokwallo Paving of internal roads 1km.
- Parys Construction of a solid waste disposal site
- Schonkenville Upgrading of internal access road 1km
- Parys installation of 8 high mast lights
- Vredefort Installation of 10 High mast lights
- Koppies Installation of 5 High mast lights
- Heilbron Installation of 6 High mast lights
- Ngwathe/Edenville Installation of 8 High mast lights
- Edenville Construction of a low level bridge
- Fredefort Refurbishment of Waste water Treatment works
- Vredefort Water Treatment Works- Trident System

In pursuit of accountability to our communities, the Municipality had undertaken to roll out the Budget and IDP review processes to different towns and villages, where our people live. I invite residents to participate and contribute meaningfully to the developmental agenda of this Municipality.

I also had the privilege to celebrate Tumahole Day with families of our fallen Heroes and Heroines on the 15th July 2017, and celebrated Mandela Day with the Centre for the Old Aged at Schonkenville on the 18th July 2017.

CHALLENGES AND MITIGATION

The Ngwathe Local Municipality has managed to maintain its "unqualified" audit status despite a myriad of challenges. The main driver of these organizational challenges can be attributed to restricted cash flow as a result of decreased revenue collection. Initiatives are being implemented to improve revenue collection. One of these

initiatives is the “smart metering” project where convention credit – and prepaid electricity meters are being replaced with smart meters.

GOVERNANCE AND ADMINISTRATIVE

At governance and administrative level, we implemented the Operation Clean Audit (OPCA) plan that resulted in the municipality achieving an unqualified audit opinion for the second (2nd) year in succession, thus moving closer to obtaining a clean audit outcome. The implementation of plans, programs, and projects are associated with Challenges facing our beloved communities in Ngwathe Local Municipality.

PUBLIC PARTICIPATION

Our democracy is based and entrenched on vigorous public participation and one of the components thereof is continued engagements of the budget allocation and the Integrated Development Plan during the public participation meetings held in various Wards of Ngwathe. These meetings are aimed at ensuring that our communities are aware about our programmes which are aimed at improving their lives for the better.

FUTURE ACTION

We will be continuing to embark on major service delivery projects in the coming financial year guided by our theme: ‘Getting the Basics Right – Our Programme for Restoration’. These projects are implemented in the best interest of our communities. The Programme-of-action for the next financial year will include amongst many other: Enhanced access to and security of the water and sanitation reticulation system with focus on reduced potable water losses, improved repairs and maintenance of the municipal electricity infrastructure that will also result in reduced energy losses, expanded resealing and maintaining of the Municipal Road Infrastructure Network, and Focused intervention on solid waste management and cleansing.

CONCLUSION

As I conclude, I would like to share with residents of Ngwathe Local Municipality, our initiatives committed towards improved service delivery, inter alia,

by effectively managing and reducing overtime through new Overtime Policy
drastically reducing consultants
introducing Operation Tsipol la in order to avoid illegal electricity connections
introducing revenue enhancement measures to improve revenue
by fully implementing Performance Management System to our Senior Managers, and
by implementing Public law/by-law enforcement to enforce compliance.

Finally, I wish to assure our people that as Ngwathe Local Municipality, we commit ourselves to continue delivering quality basic services, we will continue to replace aging water infrastructure and continue providing decent sanitation.

Though there are still challenges ahead, we are confident that this was one of the most hectic years in our Municipality. We commit to your good-selves that we as the municipality shall remain committed to serve you and continue to work tirelessly to expand access to services in order to bring about a better life for all our people. Let us all work together towards building a better Ngwathe.

Thank You,

Signed: _____

Cllr. JM. Mochela

Executive Mayor: Ngwathe Local Municipality

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW

The Executive Mayor, Speaker, Members of the Mayoral Committee, Honourable Councillors, the respected Community of Ngwathe at large, this is yet another time to present the Annual Report for the 2016/17 financial year.

The 2016/2017 financial year was another challenging year against the background of continued difficult economic conditions. The build-up to the general municipal elections that were held in August 2016 commenced in all earnest in the year under review and impacted on operations as well.

The Municipality has achieved an improved audit outcome, unqualified audit for the 2015/16 financial year, making it the second successive year that an unqualified audit has been achieved. This would have not been possible without the resolve of Council, management and personnel to continuously pursue high standards.

I hereby wish to acknowledge and congratulate those elected as Speaker, Mayor and MAYCO Members and our change to an executive mayoral system.

We have also suffered financial losses due to the ongoing theft of copper at various electrical installations and this caused prolonged interruption in the water and electricity supplies. We also encountered many incidents of tampering or bypassing of electricity meters as well as illegal use of electricity. Apart from the loss in revenue those illegal connections also caused power outages and are a threat to the safety of our people.

Whilst water quality, ageing infrastructure and equipment remains key challenges we are encouraged by the signs of improvement.

The organizational structure of the municipality was also reviewed to focus on improving the service delivery of the Municipality. We have also created the conditions for a payment plan with Eskom and conceptualized a framework for the implementation of a smart/split meters.

At a human capital level, we remain constrained given the number of critical vacancies and people in acting positions. At the same time, there is evidence of capacity challenges given the use of consultants in some critical areas.

From the content of the report it is evident that the road ahead is a difficult one, but if we keep focused on our key objectives and work with dedication, we can and will change things for the better. The continued challenges with water quality and electricity stability indeed is enough to test the patience of even the most reasonable in society. It is for this reason that poor service delivery that can be linked to management failure and incompetence will not be tolerated going forward.

We remain grateful for a robust, engaging community, who through their activism allow us to be on our toes.

I want to thank the community for their patience, for their reporting and for being our eyes and ears on the ground. I want to thank the Executive Mayor, Speaker, Chief Whip and all Councillors for their leadership and I want to thank an acknowledge all staff members who through their dedication and commitment have made a difference in the lives of our communities.

As a citizen of Ngwathe and soon to be a home owner in Parys, I remain committed to making our town the best.

Bruce William Kannemeyer (Mr)

Municipal Manager

01 March 2017 – 30 June 2017

MUNICIPAL OVERVIEW

Ngwathe Local Municipality (FS203) is situated in the northern part of the Fezile Dabi District Municipality previously known as the Northern Free State, it is one of the four Local municipality within the district, the other three (3) being Moqhaka LM, Metsimaholo LM and Mafube LM.

The total estimated population of the municipality in terms of Census 2011 results is 120 520. The geographical area of the municipality is 7055 Square kilometres. The municipality comprises of five towns which are: Parys (Head Office), Heilbron, Koppies, Vredefort, and Edenville.

TOWNS AND THEIR HISTORY / CHARACTERISTICS

Parys has a well-developed airfield that supports commercial and tourism development in the area. It has a strong commercial component and provides a wide range of services regarding health, education and professional services to the district.

The Parys district has unique natural and environmental assets, like the Vaal River, with several islands in the proximity of Parys, and the Vredefort Dome, that present exceptional tourism potential. Other prominent topographical features include the Vredefort Dome in Parys. The form of the dome consists of a central cone of granite surrounded by concentric ridges of quartzite belonging to the Witwatersrand System.

Vredefort is the only town that formed the former Vredefort District. The former Heilbron District is predominantly an agricultural area, although major manufacturing industries contribute largely to the Gross Geographic Product of the district.

Koppies is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. The three well-established and developed irrigation schemes subsequently enhance the agricultural character of the area. The strategic location of Koppies between the larger centres of Kroonstad and Sasolburg influence growth and development within the community. The bentonite exploitation near Koppies and the initiative for coal mining in the vicinity of the town provide significant future growth potential. Koppies is becoming known for its tourist attractions. Specific reference is made to the R82 Battlefield Route, which consists of several historical battlefields. These that are envisaged to be further developed along with the Koppies Dam Nature Reserve.

Edenville is also located in an area of agricultural significance. The main road linking Kroonstad and Heilbron runs adjacent to the area.

Heilbron is a small farming town which services the cattle, dairy, sorghum, sunflower and maize industries. Raw stock beneficiation occurs in leisure foods, dairy products and stock feeds. It also serves as a dormitory town for the Gauteng metropolis.

Game farming in the district grew to the extent that it is believed that game numbers reached an all-time high, evident in visiting tourist numbers. Due to its close proximity to Gauteng Province (60 km) the town became ever more popular to weekend tourists and city dwellers in need of a relaxing weekend filled with peace and quiet with lots of fresh air. Popular activities are horse riding, off road cycling, fishing, game drives, utilizing both motor vehicles and quad bikes, historical tours and affordable sporting facilities.

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. Such functions include but are not limited to the following:

Function	Definition of function
Municipal Roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.
Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.
Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution
Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.
and crematoria	The establishments conduct and control of facilities for the purpose of disposing of human and animal remains. This includes, funeral parlours and crematoria.
Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.
Storm water	Management of systems to deal with storm water in built-up areas
Firefighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions
Municipal Planning	Compilation of IDPs, preparation of the SDFs as a sectoral plan, development and implementation of a town planning scheme or land-use management scheme
Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities

DEMOGRAPHIC PROFILE OF THE MUNICIPALITY

Population and population growth rates by municipality, Fezile Dabi District, 1996, 2001 and 2011

Municipality	1996	2001	Growth Rate (1996-2001)	2011	Growth Rate (2001-2011)
Ngwathe	120 007	118 810	-0.2	120 520	0.1

Source: STATSSA, Census 1996, 2001 and 2011

The above table indicates that Ngwathe Local Municipality experienced a negative growth from 1996 to 2001. This means that the municipality is losing people either to other municipalities or to other provinces.

Community survey 2016 report shows that the population numbers decreased in the following manner,

Growth/ decline rate	Number
1996	120 007
2001	118 810
2011	120 520
2016	118 907

The above table shows that the population decreased in 2001 by 1197 people from 1996. In 2011 the number then increased again 2011 by 1710. Five years down the line the number also decreased by 1613 people in 2016. In essence, it proves that in the last 20 years the population stayed constant.

Community Survey 2016

For Household weight

Local Municipality	Households
FS203: Ngwathe	40910

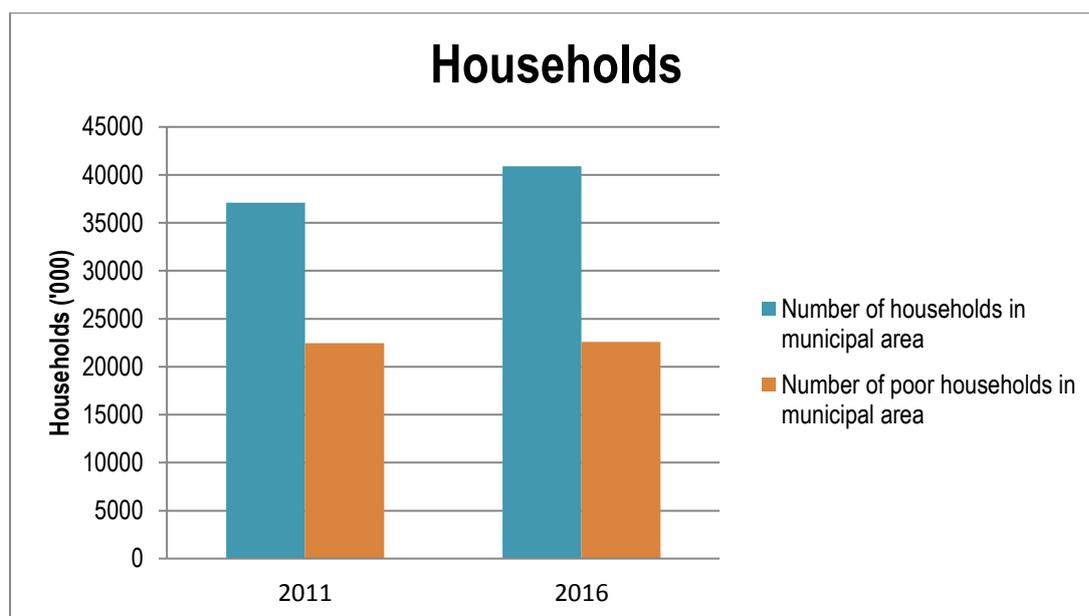
Percentages in line with 2016 survey as compared to outer years' surveys

BLACK	COLOURED	INDIAN	WHITE
88	2.6	0.05	9.5

The table above shows that the number of Black people increased by 1.5% in 2016 from 2011 statistics, number of Coloureds remained the same, number of Indians increased by 0.2% and the number of White people decreased by 0.8%.

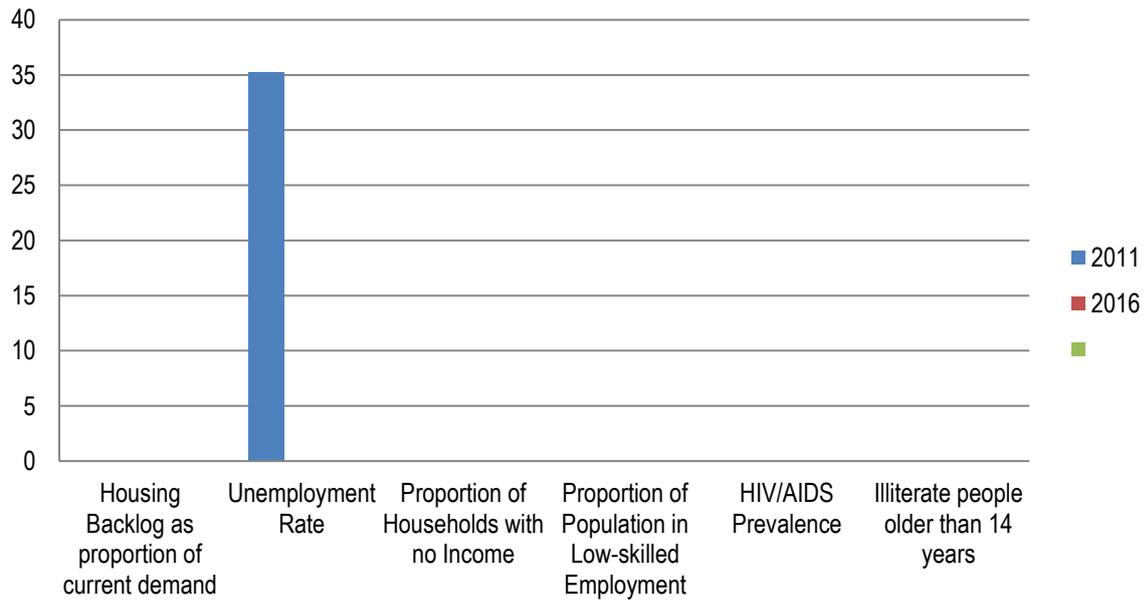
Population Details				
Population '000				
Age	Year 2016 Survey			
		Male	Female	Total
Age: 0 - 4		16 202	16 761	32 964
Age: 15 - 34		19 927	20 785	40 712
Age: 35 - 64		14 624	16 310	30 935
Age: 65+ elderly		5 671	8 625	14 296

Social Status						
Year	Total population	Total Households	Average size of households	Unemployment Rate	Population Growth	Dependency Ratio
2011	120 520	37 102	3.2	35.2	-0,2	60.2
2016	118 907	40 910	2.9		-0,003	56.7



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 14 years
Year - 2011		35.2				6299 (5, 22%)
Year - 2016						3636 (3, 05%)

Socio Economic Status



SETTLEMENT TYPE	HOUSEHOLDS
Towns	
Parys	5 675
Heilbron	3 316
Vredefort	1 031
Koppies	764
Edenville	1 166
Sub-Total	11 962
Townships	
Tumahole	10 695
Phiritona	8 513
Mokwallo	4 545
Kwakwatsi	3 133
Ngwathe	1 524
Sub-Total	28 410
Rural/Farms settlements	
Parys	620
Heilbron	1 604
Vredefort	153
Koppies	1 468
Edenville	571
Sub-Total	4 416

ENVIRONMENTAL ISSUES

Natural Resources		
Town	Major Natural Resource	Relevance to Community
Parys & Vredefort	Vredefort dome World Heritage Site	International significance Tourist Attraction Centre
Parys	Vaal River	Natural water resource to Parys & Vredefort
Vredefort	The Lesotho Spruit	Limits residential development
Heilbron	Eeufees Dam	Resort
Koppies	Bentonite and Ceramic clay deposits. Coal deposits are present in the area. Diamond deposits, in the form of volcanic pipes are present in area. Koppies Dam Nature Reserve (Renoster river)	Extraction taking place but final product produced in Gauteng. Exploitation thereof is not envisaged for several years Voorspoed Mine Natural water resource
Vredefort	The Lesotho Spruit	Limits residential development
Edenville	A red data species, Sun Gazer Lizards	Endangered species

ECONOMY:

The main economic sectors agricultural, mining, manufacturing and services. The district is a strong rural area with large agricultural areas with varying levels of potential.

Tourism is also beginning to emerge as a second driver

SERVICE DELIVERY OVERVIEW

In terms of the Constitution of the Republic of South Africa: Act 108 of 1996, a municipality must within its financial and administrative capacity strive to achieve the following objects as set out in Chapter 7 Section 152 (1):

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 organizations in the matters of local government.

ORGANISATIONAL DEVELOPMENT OVERVIEW

Chapter 6 of the MSA provides guidelines on the nature and processes of Performance Management System (PMS) in local government. These guidelines further serve as a strategic approach to management and institutional development. They equip leaders, managers, employees and stakeholders with relevant tools to enable them to plan, measure, monitor, review performance regularly. PMS needs to ensure that there is synergy between IDP and Budget implementation.

Ngwathe through its four directorates strives to achieve the following KPA's:

KPA 1: Putting People First

KPA 2: Delivering Basic Services

KPA 3: Good Governance

KPA 4: Sound Financial Management

KPA 5: Institutional Development & Building Capacity

KPA 6: Radical Socio Economic Transformation & LED

The Institution is classified into the following directorates through which employment is housed:

Municipal Manager's Office

Finance Services

Corporate Services

Technical Services

Community Services

The Municipality is composed of the following 5 Regions:

- ✓ Parys
- ✓ Heilbron
- ✓ Vredefort
- ✓ Koppies
- ✓ Edenville

Organogram

Employment is effected through the organogram that was adopted by Ngwathe Municipal Council on the 26 April 2017. The municipality has budgeted R15 million for filling of vacant positions during the period 2017/18 financial year. Budgeted vacant positions have been advertised and the closing date for the last position advertised is the 15 September 2017. Other vacant advertised positions have already closed on the 25 August 2017 and shortlisting as well as the interviews processes will commence in September 2017.

STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th Q Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

COMMENT ON THE ANNUAL REPORT PROCESS:

The Municipal System Act (MSA) 32 of 2000 and the Municipal Finance Management Act of 2003 (MFMA) requires that the 5-year strategy of a municipality which is the Integrated Development Plan (IDP), must be aligned to the municipal budget and be monitored through the annual Service Delivery and Budget Implementation Plan (SDBIP). Thus, the IDP, the Budget and the municipality's Performance Management Systems are linked. In relation to these provisions, the Performance Management of Section 56 & 57 Managers must be aligned with the implementation of the Integrated Development Plans.

Legislative Requirement:

The process of compiling the annual report is realized in terms of the following pieces of legislation;

- The Municipal Systems Act, 32 of 2000
- The Municipal Planning and Performance Management Regulations, 2001
- The Municipal Finance Management Act, No. 56 of 2003; and
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

Community Involvement

Section 42 of the MSA 32:2000 states that “A municipality, through appropriate mechanisms. Processes and procedures established in terms of Chapter4, must involve the local community in the development, implementation and review of the municipality’s performance. Management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.”

This report will therefor also be subjected to such an exercise.

Submission

The report will then be submitted to Treasury and the Auditor General.

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

POLITICAL GOVERNANCE

Municipal Council

The municipal council of Ngwathe Local Municipality is the highest decision making body in the area of jurisdiction of the municipality. The council consist of 36 councillors belonging to different political parties represented in council. The Mayor and Speaker also form part of council and are both fulltime office bearers.

Composition of the Municipal Council:

Political Party	No of seats
ANC	24
DA	8
EFF	3
FF+	1
Total	36

The Municipality is headed by the Mayor and Speaker who are the two full time Councillors:



The Executive Mayor: Cllr MJ Mochela



The Speaker: Cllr NP Mopedi

Decision-Making

The political decision-making vests with the council, there are various decision-making structures within Council, which include the following:

- Municipal Council;
- MAYCO;
- Officials with delegated powers.

MAYCO

The Mayoral Committee (MAYCO), which is chaired by the Mayor and draws membership from the chairs of the following Municipal Portfolio Committees (Section 79/80 committees):

The following Councillors are elected as members of Section 79 Committees and MMC's:



*Back Row FromLeft :1.Cllr M.M. Mofokeng:MMC For Finance ana Budget. 2.Cllr M.Mofokeng MMC for Social and community,
3.Cllr L Sotshiva MMC For Public Safety and Transport. 4.Cllr M.Mmusi MMC for Urban,Planning and Rural
5.Cllr K.Serati MMC For Corporate Services
Front row From Left:Cllr P.R. Ndayi:MMC for Infrastructure and LED. 2.Cllr M.J Mochela :Executive Mayor .Chaiperson
3.Cllr S.Mbele MMC for Special Programmes and IDP*

POLITICAL DECISION-TAKING

DATE	TITLE AND DATE OF THE RESOLUTION	STATUS
JULY 2016	1. PROPOSED TOWNSHIP ESTABLISHMENT IN NGWATHE LOCAL MUNICIPALITY	IN PROGRESS
	2. IRRECOVERABLE AND PRESCRIBED DEBTS	DONE
	3. TRANSFER OF TRAFFIC DEPARTMENT TO THE PROVINCE	DONE
	4. ESKOM ACCOUNT	PENDING
	5. NGWATHE LM DRAFT ANNUAL REPORT 2014/15.	APPROVED
	6. ALLOCATION OF LAND FOR TRUTH AND RECONCILIATION COMMISSION (TRC) MUSEUM.	DONE
	7. SELILANGWE WHOLESALERS (PTY) LTD.	REFERED BACK
	8. VREDEFORT YOUTH FOR CHANGE	REFERED BACK
	9. APPLICATION FOR MIS POULTRY FARMING.	REFERED BACK
	10. MOKWALLO BANA PELE INCORPORATION TRUST CENTER.	REFERED BACK
	11. TJHEBELOPELE MULTI-PURPOSE PRIMARY CO-OPERATIVE LIMITED.	REFERED BACK
16 AUGUST 2016	OATH OR SOLEMN AFFIRMATION BY MEMBERS OF COUNCIL ELECTION OF SPEAKER ELECTION OF EXECUTIVE COMMITTEE ELECTION OF MAYOR FULL TIME COUNCILLORS ELECTION OF REPRESENTATIVES TO THE DISTRICT MUNICIPALITY ELECTION OF CHAIRPERSONS OF SECTION 79 COMMITTEES ELECTION OF REPRESENTATIVES ON SALGA STRUCTURES	DONE
30 SEPTEMBER 2016	1. CONVERSION OF THE MUNICIPALITY FROM EXECUTIVE COMMITTEE TO MAYORAL TYPE.	DONE
	2. ELECTION OF THE MEMBERS OF SECTION 79 COMMITTEES	DONE
29 NOVEMBER 2016	ESTABLISHMENT OF WARD COMMITTEES FOR THE PERIOD 2016-2021.	DONE
	APPOINTMENT OF SELECTION PANEL	DONE
14 DECEMBER 2016	1. BY-LAWS	APPROVED AWAITING COUNCIL WORKSHOP
	2. EMPLOYMENT EQUITY PLAN	REFERED BACK
	3. DRAFT LANGUAGE POLICY	APPROVED
	4. NGWATHE LOCAL MUNICIPALITY PROGRESS REPORT, TOWNSHIP ESTABLISHMENT, LMV TOWN PLANNERS	IN PROGRESS
	5. APPROVAL OF DRAFT SPLUMA BY-LAW AND PUBLIC PARTICIPATION	APPROVED AWAITING COUNCIL WORKSHOP
	6. PROGRESS REPORT FOR E.P.W.P (EXPANDED PUBLIC WORKS PROGRAMME)	DONE
	7. BUCKET ERADICATION PROGRAMME	DONE
	8. MOKWALLO BANA PELE INCORPORATION TRUST CENTRE	REFERED BACK
	9. SELILANGWE WHOLESALERS (PTY) LTD	REFERED BACK
	10. TJHEBELOPELE MULTI-PURPOSE PRIMARY CO-OPERATIVE	APPROVED

	LIMITED	AND SLA ISSUED
	11. VREDEFORT YOUTH FOR CHANGE	APPROVED AND SLA ISSUED
	12. APPLICATION FOR MIS POULTRY FARMING	APPROVED AND SLA ISSUED
	13. DRAFT PMS FRAMEWORK 2016-17 FINANCIAL YEAR	ADOPTED
	14. DRAFT IDP PROCESS PLAN 2017-2018 FINANCIAL YEAR	APPROVED
	15. SCHEDULE OF DATES AND TIMES FOR MEETINGS (16/17 FINANCIAL YEAR)	ADOPTED
	16. ESKOM ACCOUNT	MAYORAL TASK TEAM ESTABLISHED
	17. OVERTIME EXP REPORT 16/17	TO BE IMPLEMENTED AS FROM 1 APRIL 2017
	18. CONTRACT ENTERED INTO BY NGWATHE LOCAL MUNICIPALITY AND BIT AND RECONCILED ACCOUNT OF BIT	APPROVED THAT IT BE ADVERTISED AND NOT YET DONE
	19. S11-ELEVEN MONTHLY WITHDRAWALS REPORT FROM JULY 2016-OCTOBER 2016 WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT	ADOPTED
	20. MAJOR CREDITORS- PAYMENT REPORTS AND THEIR CURRENT STATEMENT	ADOPTED
12 JANUARY 2017	1. INTENTION TO RESOLVE PAYMENT OF ACCOUNT TO ESKOM	IN PROGRESS
18 JANUARY 2017	ESKOM ACCOUNT	IN PROGRESS
	2. MUNICIPAL MANAGERS APPOINTMENT	DONE
31 JANUARY 2017	D. ADJUSTMENT BUDGET FOR 2016/17 MTERF.	ADOPTED
	E. MID YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 31 DECEMBER 2016.	ADOPTED
	F. DRAFT SDBIP 2016-2017 FINANCIAL YEAR.	ADOPTED
	G. NGWATHE LM DRAFT ANNUAL REPORT 2015-16.	ADOPTED
17 FEBRUARY 2017	3. OVERDRAFT FACILITY	DONE
28 FEBRUARY 2017	1.2016/17 ADJUSTMENT BUDGET	DONE
31 MARCH 2017	1. NGWATHE LM DRAFT IDP 2017/18-2021/22	ADOPTED
	2.DRAFT BUDGET FOR 2017/18 MTERF	ADOPTED
	3.PRESENTATION OF BACK TO BASICS PHASE 2 ROLL OUT BY COGTA	DONE
	4. ELECTION OF SECONDI REPRESENTATIVES ON SALGA STRUCTURES	DONE
26 APRIL 2017	T. PROGRESS REPORT ON MIG REPORTS	DONE
	U. REPORT ON IMPLEMENTATION OF COUNCIL RESOLUTION	IN PROGRESS
	V. REPORT ON IMPLEMENTATION OF PROPAC RESOLUTION	DONE
	1. MAJOR CREDITORS	NOTE TAKEN
	2. S11-ELEVEN MONTHLY WITHDRAWALS REPORT FROM JULY 2016-OCTOBER 2016 WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT	NOTE TAKEN
	3. REPORT ON IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT (THREE QS REPORT)	APROVED

4. PROGRESS REPORT ON MIG REPORTS	DONE
5. PROGRESS REPORT ON EPWP REPORTS	DONE
6. PROGRESS REPORT: PARYS REGIONAL OFFICES	APPROVED BUT NEGOTIATIONS IN PROGRESS
7. PROGRESS REPORT ON HEILBRON BUCKET ERADICATION	DONE
8. REQUEST THE COUNCIL TO EMBARK AN ENERGY EFFICIENCY PROCESS AND INNOVATIVE TECHNOLOGY	APPROVED
9. APPLICATION FOR SITE BY IYONA PROPERTIES	REFERED BACK
10. APPLICATION FOR SITE MKHWANAZI PIGS MARKET (PTY) LTD	REFERED BACK
11. ALLOCATION OF SITE: VREDEFORT MULTI-PURPOSE CENTRE	APPROVED
12. DTS POST ADVERTISEMENT	ADVERT DONE SELECTION PROCESS PENDING
13. OVERTIME	APPROVED
14. WORKPLACE SKILLS PLAN/ ANNUAL TRAINING REPORT: (WSP/ART 2017/18)	ADOPTED
15. IMPLEMENTATION OF COUNCIL RESOLUTIONS (STANDING ITEM)	IN PROGRESS
16. IMPLEMENTATION OF PROPAC RESOLUTION (STANDING ITEM)	IN PROGRESS
17. CONVERSION OF THE MUNICIPALITY FROM EXECUTIVE COMMITTEE TO MAYORAL TYPE	DONE
17.1. APPOINTMENT OF MMCs	DONE
18. STAFF ESTABLISHMENT/ORGANOGRAM	ADOPTED
19. S52 (d) THIRD Q REPORT: JANUARY-MARCH 2017	APPROVED
20. ESKOM ACCOUNT (STANDING ITEM)	PENDING
21. DRAFT OVERSIGHT REPORT 2015-16 FY	ADOPTED
22. REMUNERATION OF PUBLIC BEARERS ACT 1998 (ACT 20 OF 1998)	APPROVED

2.2 ADMINISTRATIVE GOVERNANCE

Section 55(1) of Municipal System Act 32:2000 section 55 states, amongst others that:

As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for:

the formation and development of an economical effective, efficient and accountable administration- equipped to carry out the task of implementing the municipality's 45 integrated development plan in accordance with Chapter 5:

operating in accordance with the municipality's performance management system in accordance with Chapter 6; and

responsive to the needs of the local community to participate in the affairs of the municipality; 50

the management of the municipality's administration in accordance with this Act and other legislation applicable to the municipality.

In line with the above legislative requirement, the administration is led by the Municipal Manager, who is appointed in terms of section 54A of the Local Government: Municipal Systems Act (No.32 of 2000). The Municipal Manager is appointed on a fixed term contract. The conditions of employment for the Municipal Manager included concluding annual performance agreements with the Mayor which contains performance objectives, targets and procedures for evaluating performance. The Municipal Manager is also the Accounting Officer in line with the requirements of the Local Government: Municipal Finance Management Act (No. 56 of 2003).

Together with managers directly accountable to the Municipal Manager, he leads the administration by amongst others implementing council resolutions, advising council and its committees and leading the IDP and Budget planning and implementation processes. Over and above council can delegate some of its responsibilities to the Municipal Manager who in turn can further sub delegate such function to Managers Directly Accountable to him/her.

The senior management team of Ngwathe Local Municipality for the period under review was structured as follows:

Title	Incumbent	Functions
Municipal Manager	 <p data-bbox="520 1872 767 1906">Mr BW Kannemeyer</p>	<p data-bbox="1002 1447 1276 1906"> Employees. Policies. Risk & Compliances. Directorates. Regions. Strategic Planning. PMS. IGR. Provision of Services. Stakeholder Relations. IDP. Website. Reporting. </p>

Community Services	 <p>Mr. AB Netshivhodza</p>	<p>LED. Housing and Development. Disaster Management. Fire. Land. Commonages. Refuse Removal. Land fill Sites. Building Plans. Parks & Recreation. Mimosa. Environmental Health. ECD.</p>
Finance	 <p>Me. N Samyala</p>	<p>Budgeting. Revenue. Financial Statements. Supply Chain. Assets Management. Accounts & Billing. Fleet Management. Metering.</p>
Technical Services	 <p>Mr. NE Shabalala</p>	<p>Water. Sanitation. Storm Water. PMU. Roads. Infrastructure Projects. Electricity</p>
Corporate Services	 <p>Mr. PS Tsekedi</p>	<p>Human Resource Management Admin & Legal Learning and Development. Council Support. Building Maintenance. Occupational Health and Safety. Labour Relations. Employment Equity.</p>

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The object of this Act is to provide within the principle of co-operative government set out in Chapter 3 of the Constitution a framework for the national government, provincial governments and local governments, and all organs of state within those governments, to facilitate co-ordination in the implementation of policy and legislation, including-

- (a) coherent government;
- (b) effective provision of services;
- (c) monitoring implementation of policy and legislation; and
- (d) realization of national priorities.

INTERGOVERNMENTAL RELATIONS

Nationally the municipality is participating in the following structures

Structure	Value
Cubans	Infrastructure and Technical assistance
B2B	One of the ten identified in the province for intervention by COGTA
Infrastructure Development (COGTA)	Electricity, Water and Sanitation Master plan
RRAMS (Rural Roads Assets Management)	Transport and Roads Master plans

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Structure	Value
Provincial Coordinating forum (PCF) of the Premier	Provincial direction in terms of realization of the priorities.
SALGA Working groups and Municipal Manager's forum	Source of information
B2B	Mobilization of resources for Municipal challenges
IDP Manager's Provincial forum	Improve the quality of the IDP
Provincial Human Resource Manager' forum	Source of information
MM's Forum;	Coordinated planning
LED Manager's Forum;	Coordinated planning
Skills Development Facilitator's Forum	Coordinated planning
PPO's Forum (Steering Committee)	Coordinated planning
MIG Forum	Effective MIG implementation
Revenue Enhancement Committee with Provincial Treasury	Enhanced revenue collection strategies

DISTRICT INTERGOVERNMENTAL STRUCTURE

Structure	Value
District Coordinating Forum (DCF) (Mayor's Forum)	Mayoral Development Forum within the district.
Speaker's Forum	Coordinated planning
Technical IGR (municipal Manager' s Forum	Discuss interventions where necessary.
IDP Manager's forum	Improve the quality of the IDP
Energy forum	Attend to energy issues
M & E Forum	Monitor progress
MTAS Forum (B2B)	Monitor progress
Water Forum	Water issues including Blue and Green drop
IT Steering Committee	IT Issues
Corporate Services Forum	Corporate issues
Community Services Forum	Community issues
PPO's Forum (Steering Committee);	Speaker's issues
Skills Development Facilitator's Forum;	Coordinated planning

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The municipality has established an Oversight committee and further developed a Public Participation Strategy during the year under review through the office of the Speaker; all matters of public participation will therefore be carried out in terms of same. During the year under review, some Councillors were privileged to attend the MPAC training in preparation of the establishment of the municipality's own Public Accounts Committee.

2.4 PUBLIC MEETINGS

One of the main features of the IDP planning process is the involvement of community and stakeholder

Organizations in the process, such an involvement ensures an IDP that is informed by REAL and ACTUAL ISSUES DIRECTLY EXPERIENCED BY COMMUNITIES. It is therefore crucial for the Municipality to adopt an appropriate mechanism and also put in place appropriate structures to ensure effective participation. Ngwathe Public Participation Policy is the guiding document in this regard; this policy takes cue from the Provincial Community Based Planning Model (CBP).

Ward Committees

The main drivers of the public Participation is the Ward Committee, their functionality will therefore come in handy for the success of Municipal Planning and Development and help reduce service delivery protests.

Functional/ Effective Ward Committees:

- Hold regular meetings, starting on time and good attendance,
- Collective implementation of decisions,
- Constructive communication with municipality,
- Regular engagement with communities,
- Ensures that community issues are discussed in Council.

Principles of Public Participation:

- Collaborative Planning.
- Citizen Participation.
- Cooperation.

- Team Work.
- Public Education.
- Common Vision.
- Collective Ownership.

Structured Participation:

A structured public participation process will be followed.

- Ward councillors and Ward Committees will in most cases lead the proceedings
- Ward based approach is the key to reach as vast and many members of our communities.
- Existing public participation structures will be used.
- Door to door will also be used to address the principle of inclusivity.
- Appropriate forms of media will be utilized in order to reach as many people as possible

All relevant community and stakeholder organizations will be invited to register as members of the IDP Representative Forum.

- An appropriate language and accessible venues will be used to allow all stakeholders to freely participate.
- The IDP Representative Forum meetings will be scheduled to accommodate the majority of the members.
- Copies of the IDP documents will be made available for all communities and stakeholders and adequate time provided for comments.

Diversity:

- The way public participation is structured provides sufficient room for diversity within the Municipal area in terms of different cultures, gender, language and education levels.
- Participants will therefore be made aware that it is in their own interest to be involved in the planning process and it is not a task they have to be paid/pay for.
- Participants are responsible and expected to give report back to the structures that they represent

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)
IDP & BUDGET PUBLIC PARTICIPATION:	10/03/2016	1	2	59	yes
	16/03/2016	1	2	55	yes
	04/05/2017	1	2	680	yes
	5/05/2016	1	2	441	yes
	10/05/2016	1	2	248	yes
	11/05/2016	1	2	146	yes
	12/05/2016	1	2	1054	yes
	15/05/2016	1	2	121	yes
	19/05/2016				

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 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four Q aligned reports submitted within stipulated timeframes?	Yes
* Section 26 of Municipal Systems Act 2000	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 RISK MANAGEMENT

As stipulated in Municipal Finance Management Act of 2003 Section 62(1) (a), (c (i)), that

The accounting officer of the municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- a) That the resources of the municipality are used effectively, efficiently and economically.
- b) That the municipality has and maintains effective, efficient and transparent systems of financial and risk management

Risk management is a continuous, integral process to planning, organizing, directing and coordinating systems aimed at achieving the Municipality's goals and objective whose major objective is to encourage best practice within an evolving government service delivery. On the reviewed organizational structure, additions made to ensure that the unit becomes fully functional on its mandate.

Risk Management plays a crucial role in identifying both risks and opportunities that are present and to take a strategic position in minimizing the said risks and maximizing present opportunities for the benefit of its citizens. The role of the Risk Management in the municipality is to provide the expertise and support for institutionalizing Enterprise Risk Management and thereby embedding a risk intelligent culture. This is achieved through various methods including employee training on the principles and practices of risk management, coordinating efforts in determining the municipality's risk exposure and in the development of mitigating actions by management for addressing the identified risks

There is a well coordination between the Risk Management Unit, the Internal Audit Unit and the IDP/PMS division within the municipality and it envisaged that filling of the vacant posts in IDP/PMS will strengthens operations. Although the Chief Risk Officer is responsible for risk management, management took ownership of risks and the mitigation thereof.

The following were identified as the top 5 Strategic Risks of the municipality in terms of the residual risk values of the risks:

- Electricity Cable Theft
- Low Revenue Collection
- High Expenditure Patterns
- Poor Water Quality
- Weak Internal Controls

Risk Mitigation Action Progress

The municipality has in terms of the Risk Management Implementation Plan (RMP), not achieved all its targets as anticipated due to staffing and budgetary constraints however a critical aspect of sustaining management awareness and commitment was achieved through the risk review workshops conducted for the Clusters.

The risk management plan (RMP) for the 2017/18 period will take these outstanding matters into account to ensure their finalization with the goal of improving the risk management culture of the municipality to become pro-active and effectively its risk maturity levels across the board.

2.7 ANTI-CORRUPTION AND FRAUD

As stipulated in Section 83(c) of the Local Government: Municipal Systems Act, No.32 of 2000 (MSA), that implementation of effective bidding structures to minimize the possibility of fraud and corruption. Local Government: Municipal Finance Management Act (MFMA) No.56 of 2003, section 112(1) (m) (i) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

It is essential that Ngwathe Local Municipality promote a zero tolerance approach to Fraud and corruption. The commitment, by all officials is to mitigate fraudulent activities and to report when fraud occurs. Consequence management must be applied without any favoritism.

A Fraud Prevention Plan developed in order to guide the municipality on its operation with regard to fraud and corruption related matters. The document intended to reaffirm the importance of high standards of business conduct.

2.8 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management of Ngwathe Local Municipality has been implemented in terms of Chapter 11 of Municipal Finance Management Act No.56 of 2003; SCM Regulations of 2005. Relevant MFMA circulars clearly set out the required processes and guidance manuals to help ensure that SCM processes provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. These pieces of legislation and guidelines referred to were the basis for the formulation of NLM's Supply Chain Management (SCM) policy.

SCM is an integrated function, which deals with the following key functions:

- ☑ Demand Management;
- ☑ Acquisition Management;
- ☑ Logistic and Disposal Management, and
- ☑ Risk and Performance Management.

The SCM Policy and Procedure Manual were reviewed during the financial year to cater experienced challenges, intensify controls, streamline processes and promote fairness, cost- effectiveness, efficiency and local economic development. Furthermore, the review was also intended to accommodate National Treasury's circular 62.

The SCM Headed by SCM Manager (consists of eleven officials) including the SCM Manager.

SCM office consist of 5 officials and 1 intern (5 females and 2 Males)

Assets and Fleet section (as a sub section) consist of 4 officials (Fleet Management consist of 2 Male and Assets consist of 2 male)

The SCM is guided by its policies, regulations, ACTS and guidelines established and provided by the National Treasury. The SCM is currently functioning with the assistance of FS Provincial Treasury in order to ensure compliance and effective processes

The main core function of the SCM is to procure all the goods and services required/requested by all the departments within the municipality in accordance with a system which is fair, equitable, transparent, competitive and cost effective in order to ensure that service delivery reaches the community within the municipality.

The SCM promote good governance and ethics in order to promote Batho Pele principles through procuring goods and services.

The main goal of SCM is to provide a mechanism to ensure sound, sustainable and accountable Supply Chain Management processes within NLM.

2.9 BY-LAWS

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Credit Control and Debt Collection By-Law	new by-law	Yes	25 – 29/06/2012	Yes	17 May 2013
Informal settlement	new by-law	Yes	25 – 29/06/2012	Yes	
Control of street vendors, peddlers or Hawkers	new by-law	Yes	25 – 29/06/2012	Yes	
Electricity Supply	new by-law	Yes	25 – 29/06/2012	Yes	
Fire and emergency Services	new by-law	Yes	25 – 29/06/2012	Yes	
*Note: See MSA section 13.				T 2.9.1	

COMMENT ON BY-LAWS:

Council during its ordinary Council meeting that was held on the 14 December 2016 adopted 6 by-laws namely, Air pollution, Control of animals, Waste Management, Water, Commonages, and Encroachment on property and the schedule for public participation shall be submitted for adoption and after public participation the by - laws shall be advertised for promulgation. The Municipality will be embarking on promulgating the other 6 By-laws in the present financial year.

2.10 WEBSITES

MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality was reliant on SITA as the host of the website, this meant officials had to go to Bloemfontein to upload the information on the website; the advent of the integrated website for the entire province including the municipalities will by and large help in alleviating this problem for measures put in place for data gathering lessen this burden.

The municipality has appointed a service provider BBTECH to develop and update its website, also to ensure that the emails are changed from ngwathe.co.za to ngwathe.gov.za and to connect the intranet. The position for Senior ICT Officer in line with the new organogram has been advertised and the closing date was 25 August 2017.

Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Y
All current budget-related policies	Y
The previous annual report (Year -1)	Y
The annual report (Year 0) to be published	N
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Y
All service delivery agreements (Year 0)	N
All long-term borrowing contracts (Year 0)	N
All supply chain management contracts above a prescribed value (give value) for Year 0	N
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	N
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N
Public-private partnership agreements referred to in section 120 made in Year 0	N
All Qly reports tabled in the council in terms of section 52 (d) during Year 0	N
SCM Tender Policy	Y
Draft SDBIP	Y
Public Notice	Y
Careers adverts	Y
SCM Adverts and Tenders	Y
IDP & Budget Schedule Notice	Y
Review IDP 2016/17	Y
Council seating's notices	Y
Council minutes	Y
Mayoral events	Y

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

The municipality has posted books and complaints and compliments boxes at the customer service points to serve as Complaints registers. There are some officials who have been sent to training on the public satisfaction computer training and reporting designed by COGTA.

Though the complaints registers are not in place, the municipality still uses the compliments boxes and books

2.12 INTERNAL AUDIT CLUSTER

2.12.1 INTERNAL AUDIT CLUSTER

The Ngwathe Local Municipality (NLM) has a fully functional Internal Audit Cluster which is mandated to provide independent objective assurance and consulting services geared towards adding value to NLM's Governance, Risk Management and internal controls systems.

To this end, the Internal Audit Cluster has developed and implemented a Risk-Based Annual Audit Plan which is aligned to the NLM strategy (IDP) and Strategic Risk Register as adopted and approved by the Audit Committee and Council respectively.

Contributions to Corporate Governance and Operation Clean Audit (OPCA): Audit Committee and Performance Audit Committee

Internal Audit contributed towards strengthening the governance mechanisms within NLM by supporting the Audit Committee and Performance Audit Committee by submitting and presenting audit reports of a value adding and system enhancing nature.

Consulting Services- Internal Audit plans includes a consulting services framework, strategy and methodology, aimed at increasing the range of value-added services that internal audit provides to its stakeholders, while maintaining its independence in relation to assurance services. Consulting services comprise a wide range of activities based on management's needs. These services are tailored to resolve specific issues that senior management identifies as requiring attention which ranges from advisory, educational and/or facilitative in nature.

Continuous Auditing- Internal Audit has introduced a continuous auditing/real time audit technique which is used to provide a snapshot of the internal controls in order to enable timely and regular assurance of NLM control effectiveness by monitoring the compliance with key controls during 2015/16 financial year. This approach assists to identify the internal control gaps or deficiencies and send the warning signs to management timeously. The full benefits of this process matured during the 2016/17 financial year.

Internal Audit Outcomes for 2016/17

Execution of the Risk Based Annual Audit Plan

Internal Audit provided assurance and reported on the adequacy and effectiveness of controls in NLM's business processes as well as in specialized areas such as Supply Chain Management, Performance Management, and Value for Money Audit, Compliance, Financial, ICT Governance and Risk Management which resulted in a 100% audit coverage of the approved plan.

AGSA Dashboard- Internal Audit did not facilitate the AG (SA) Dashboard Reports on Key Control Environment, and also sent them on Qly basis to the Executive Mayor to sign them off. The aforementioned matter did not also become key leadership commitments adopted by the key role players.

Annual Assessment of the NLM internal controls

Internal Audit provided assurance in respect of the adequacy and effectiveness of controls in all the business clusters. Internal Audit reached the same assessment results and/or conclusion as the Auditor-General.

Status of drivers of internal controls for financial year 2016/17

Leadership	?	Financial and Performance Management	?	Governance	?
Effective Leadership	?	Proper Record Keeping	?	Risk Management	?
Oversight Responsibility	?	Processing and Reconciliation Controls	?	Internal Audit	?
HR Management	?	Reporting	?	Audit Committee	?
Policies and Procedures	?	Compliance	?	IDP & PMS	?
Audit Action Plans	?	IT System Controls	?		
IT Governance	?				

Overall Report Classification		
Good	Concerning / Requires Improvement	Intervention required
?	?	?

Quality assurance improvement programme

The Internal Audit Cluster maintained and implemented a quality assurance and improvement program to ensure the quality of audit products and services are realized by NLM. The programme is designed to enable evaluation of the cluster in order to conform to the Internal Audit International Standards and Code of Ethics as well as its own approved Internal Audit Charter and audit methodology.

To this end, client satisfaction surveys have not been implemented to measure the quality of internal audited

projects for strengthening the governance processes within the Municipality. The said process is expected to be conducted through providing management with recommendations with the aim of improving governance, risk management and internal controls in the Municipality.

- Internal Audit Highlights and Successes for 2016/17 Financial Year
- Reviewed the 2015/16 Set of Annual Financial Statements with the objective to add value;
- Followed a communication strategy to build good communication and client relations with management and all related stakeholders;
- Successfully performed a cluster-audit approach;
- Executed a 100% performance audit methodology which is aligned to National Treasury Framework on performance management adding value to the service delivery quality, and
- Following the continuous auditing model.

DRAFT

CHAPTER 3 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

Objects of Local Government

In terms of the Constitution of the Republic of South Africa: Act 108 of 1996, a municipality must within its financial and administrative capacity strive to achieve the following objects as set out in Chapter 7 Section 152 (1):

- (a) To provide democratic and accountable government for local communities;
- (b) To ensure the provision of services to communities in a sustainable manner;
- (c) To promote social and economic development
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organization in the matters of Local Government.

NLM is also attempting to provide services in terms of this mandate.

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

In order to realise the above mandate NLM is providing the following services: Municipal Roads, Electricity reticulation, Water (Potable), Sanitation, Cemeteries, and crematoria Refuse Removal, Refuse dumps and solid Waste, Storm water, Fire fighting, Municipal Planning, Local Sport and recreation facilities.

COGTA appointed E'tsho/NAKO ILISO to produce Master Plans for all towns in Ngwathe,

- Water Master Plan
- Sanitation Master Plan
- Water Safety Plan
- Water Services Development Plan
- Electrical Master Plan
- Housing Master Plan.

3.1 WATER PROVISION

The water services development plan of the municipality has been linked with the IDP and it is addressing the water issues of the integrated development plan.

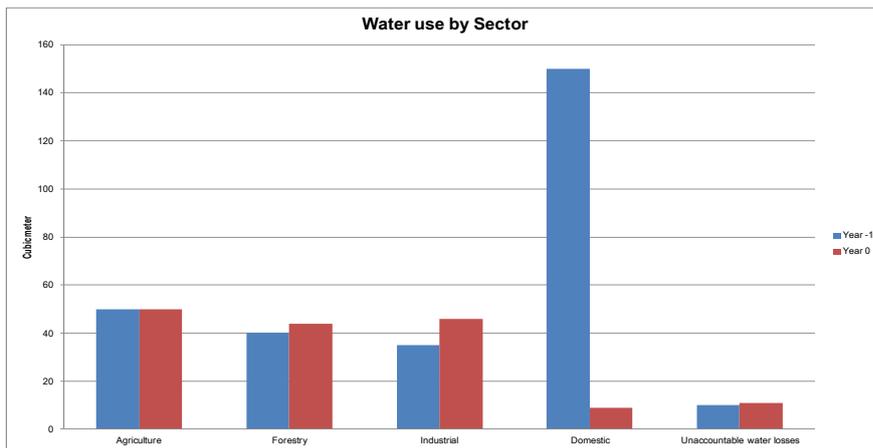
The aim is to:

1. to develop water infrastructure and assist consumers with provision of portable water
2. to provide basic services for all. To provide an acceptable quality water to all communities

The following water supply schemes are located in the Ngwathe Municipal region:

- The Parys town and Tumahole areas uses Vaal river as its water source

- Vredefort town and Mokwalo areas uses Vaal river as its water source
- Koppies area uses Koppies dam as its water source
- Heilbron is supplied by Rand water board through bulk water pipeline from Sasolburg.
- Edenville has a total number of 26 boreholes and the at least 21 are fully operational with a yielding capacity of 6 kl/h each, the sizes of the aquifers are not capable to run throughout the years as some boreholes run dry during the winter season



COMMENT ON WATER USE BY SECTOR

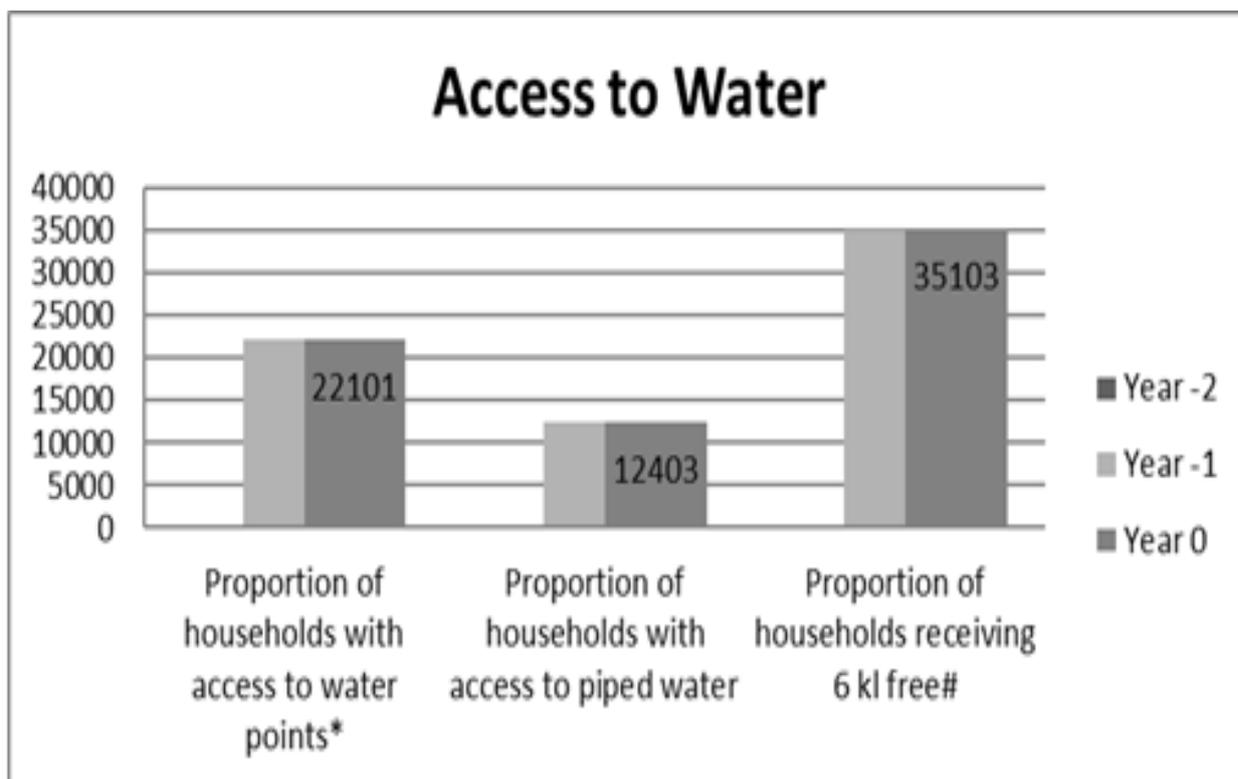
At this stage the municipality supplies water to all the sectors found within its space at normal billing rates, these sectors are:

- Police department
- Education department
- Health Department
- And some of the non-governmental organizations such as churches etc.

Water Service Delivery Levels				
Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	22101.00	22101.00	22101.00	22101.00
Piped water inside yard (but not in dwelling)	12403.00	12403.00	12403.00	12403.00
Using public tap (within 200m from dwelling)	797.00	797.00	797.00	797.00
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	35,301	35,301	35,301	35,301
Minimum Service Level and Above Percentage	100%	100%	99%	100%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	0	0	209	0
Below Minimum Service Level sub-total	–	–	0	–
Below Minimum Service Level Percentage	1%	1%	1%	0%
Total number of households*	35,301	35,301	35,510	35,301

* - To include informal settlements

Households - Water Service Delivery Levels below the minimum						
Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	35,103	35,103	35,103	35,103	35,103	35,103
Households below minimum service level	4,412	4,412	4,412	4,412	4,412	4,412
Proportion of households below minimum service level	13%	13%	13%	13%	13%	13%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	1,620	1,620	1,620	1,620	1,620	1,620
Proportion of households below minimum service level						



Access To Water			
Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year -2			
Year -1	22101	12403	35103
Year 0	22101	12403	35103
* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute			
# 6,000 litres of potable water supplied per formal connection per month			

Water Service Policy Objectives Taken From IDP

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improving access to basic services	2.1	This objective is about sustaining basic standards of living and economic activity in the municipality through planning, implementation and maintenance of basic infrastructure.	This objective will ensure that the municipality performs the following basic activities: Develop and maintain fundable consolidated infrastructure plans (CIP). Ensure infrastructure maintenance and repairs to reduce distribution and other losses; Ensure the provision of Free Basic Services and the maintenance of Indigent register.		To ensure the provision of services to communities in a sustainable manner	1	Output 2: Improving access to basic services

Job Level	Year - 2016/17		Employees: Water Services		
	Employees		Posts		Vacancies (fulltime equivalents)
	No.		No.		%
0 - 3	1		1		0%
4 - 6	3		3		0%
7 - 9	6		8		25%
10 - 12	7		15		53%
13 - 15	9		15		40%
16 - 18	11		21		48%
19 - 20	18		30		40%
Total	55		93		41%

Capital Expenditure Year 0: Water Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Parys/Tumahole/ Skhonkenville: Upgrading of pumps and pipelines between existing and additional reservoirs (MIS 173336)	R 24,750,000		R 24,750,000		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

There are currently 4 water treatment plant in all 5 towns under the municipal area of jurisdiction that is Parys, Vredefort, Heilbron and Koppies with Edenville using Borehole water , Rand water(WSP) is the supplier of drinking water to Heilbron town.

Status of Ngwathe Water Treatment Plants

Town	Name of Plant	Current usage	Design Capacity	Shortfall/surplus	Proposed plans
Parys	Parys water works	15 MI/D	25 MI/D	+ 10 MI/D over	
Heilbron	N/A Rand Water supply	6 MI/D	4 MI/D	- 2 MI/D	to increase the treated water supply from rand water by revising the contract between the municipality and Rand Water
Koppies	Koppies Water Plant	6.2 MI/D	4.5 MI/D	- 1.7 MI/D	to increase the size of the plant through utilizing compact plant method the business plans have been submitted to DWS and MIG
Vredefort	Vredefort Water Plant	5.8 MI/D	3.8 MI/D	- 2 MI/D	to increase the size of the plant through utilizing compact plant method the business plans have been submitted to DWS and MIG
Edenville	N/A Bore holes	3.2 MI/D	2.7 MI/D	- 0.5 MI/D	to develop a feasibility study for Koppies/ Edenville pipeline

STATUS OF NGWATHE WATER TREATMENT PLANTS

Parys

The current design capacity of the plant is 25ml/d and its running on full capacity for future developments there will be major upgrades required for the in order for it to cater for extra developments

The trident plant was under construction and completed in 2016/2017 financial year but improvements need to be taken into consideration on water quality.

A desk top study is being conducted to determine the water quality and improvements thereof as some of the areas in Parys and Tumahole use asbestos pipes this has resulted in major water outbreaks, pipe bursts and water leakages in the system.

Heilbron

The town is under the supply of rand water currently, the SLA between Rand Water and Municipality has not yet been revised, this has resulted in water shortages in some areas as the demand becomes greater than supply due to growing population in recent years.

Currently there is an extra 1661 houses to be included in the system under the bucket eradication programme by Department of Water and Sanitation and these new structures will require extra water supply from the already strained water system

To increase the treated water supply from rand water by revising the contract between the municipality and Rand Water will be short term solution

Vredefort

The current design capacity of the plant is 3,8ml/d and it's running at 6.8ml/d and has a shortfall of -3ml/d. Technical reports and design plans have been completed by the municipality and submitted to Cogta (Co-operative Governance and Traditional Affairs) to seek funding from MIG (Municipal Infrastructure Grant) and Funds from Water and Sanitation to install a 10ml/d trident plant to address the water issue

Currently there is an extra 1125 houses to be included in the system under the bucket eradication programme by Department of Water and Sanitation and these new structures will require extra water supply from the already strained water system

Koppies

The current design capacity of the plant is 3,8ml/d and it's running at 6.2ml/d and has a shortfall of -2.4ml/d. Technical reports and design plans have been completed by the municipality and submitted to Cogta (Co-operative Governance and Traditional Affairs) to seek funding from MIG (Municipal Infrastructure Grant) and Funds from Water and Sanitation to install a 10ml/d trident plant to address the water issue

Edenville

The current design capacity of the system is 2,7ml/d and it's running at 5ml/d and has a shortfall of - 2.4ml/d and this puts a major strain on the aquifers and underground water.

The system is designed for the use of 14 boreholes currently operation and under a risk of their aquifers running dry due to over utilization of the system

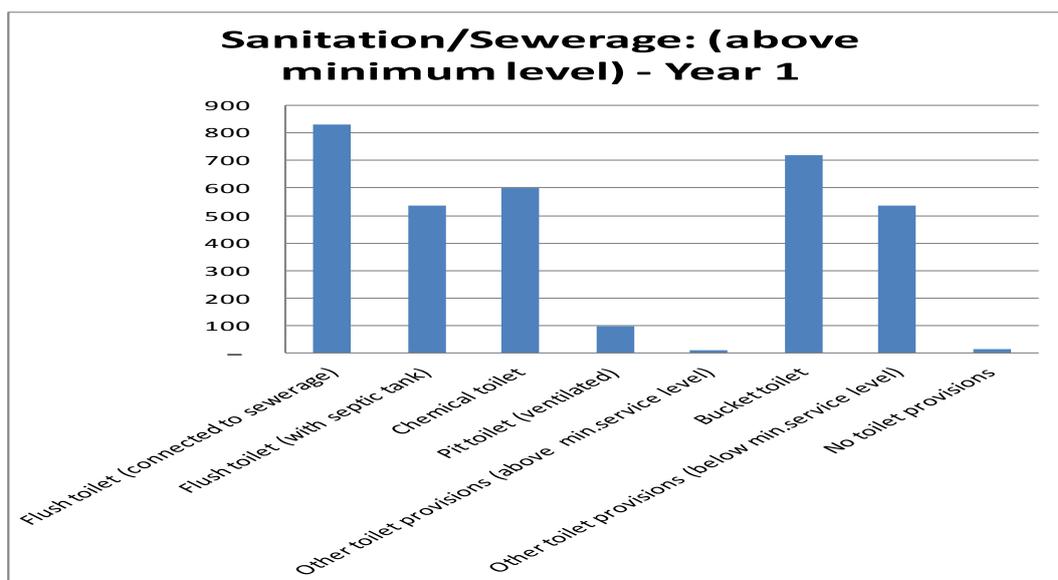
To develop a feasibility study for Koppies/ Edenville pipeline once the Koppies trident plant is up and running will be a major requirement.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

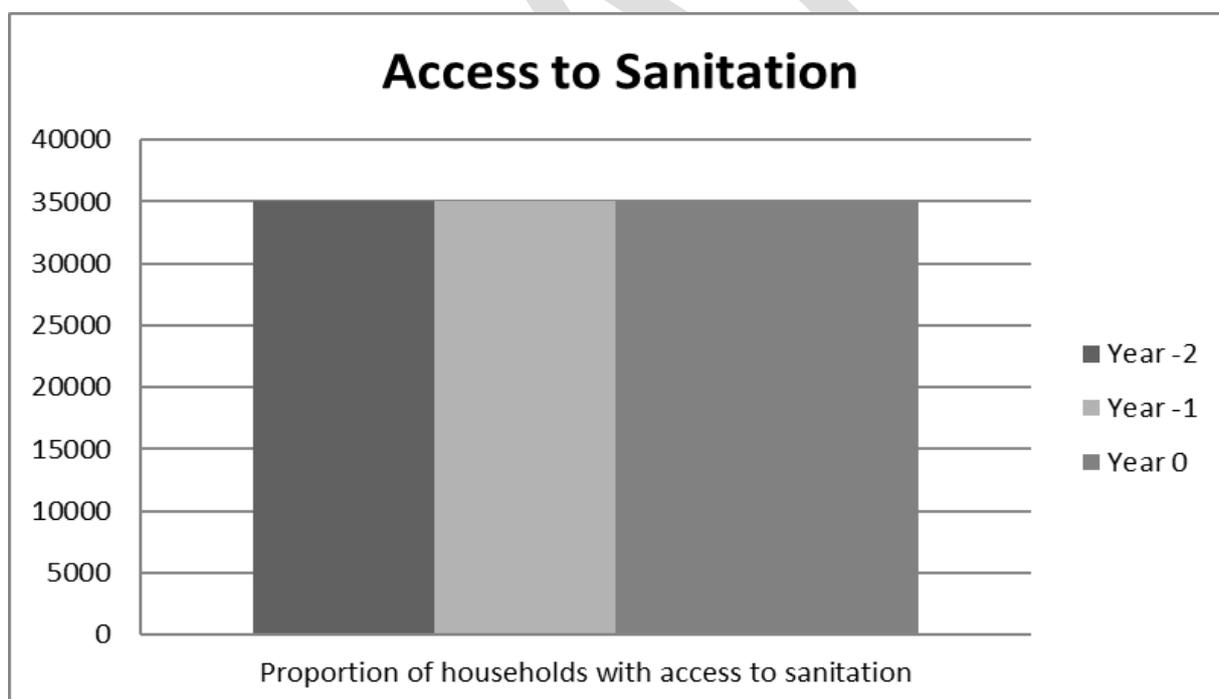
The water services development plan of the municipality has been linked with the IDP, the water services development plan is addressing the water issues of the IDP

- To develop sanitation infrastructure
- To Provide basic sanitation services for all



Sanitation Service Delivery Levels				
*Households				
Description	Year -3	Year -2	Year -1	Year 0
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	32,524	32,542	32,542	32,524
Flush toilet (with septic tank)	547	547	547	547
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	2,032	2,032	2,032	2,032
Other toilet provisions (above min. service level)			0	0
Minimum Service Level and Above sub-total	35,103	35,103	35,103	35,103
Minimum Service Level and Above Percentage	89.9%	89.9%	89.9%	89.9%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	3,944	3,944	3,944	3,944
Other toilet provisions (below min. service level)	0	0	0	0
No toilet provisions	0	0	0	0
Below Minimum Service Level sub-total	4	4	4	4
Below Minimum Service Level Percentage	10.1%	10.1%	10.1%	10.1%
Total households	39,047	39,065	39,065	39,047
*Total number of households including informal settlements				

Households - Sanitation Service Delivery Levels below the minimum Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	35,103	35,103	35,103	35,103	35,103	35,103
Households below minimum service level	2,579	2,579	2,579	2,579	2,579	2,579
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	1,289	1,289	1,289	1,289	1,289	1,289
Proportion of households below minimum service level						



Access To Sanitation

Access to Sanitation	
	Proportion of households with access to sanitation
Year -2	35103
Year -1	35103
Year 0	35103

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Sanitation Service Policy Objectives Taken From IDP

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improving access to basic services	2.1	This objective is about sustaining basic standards of living and economic activity in the municipality through planning, implementation and maintenance of basic infrastructure.	This objective will ensure that the municipality performs the following basic activities: Develop and maintain fundable consolidated infrastructure plans (CIP). Ensure infrastructure maintenance and repairs to reduce distribution and other losses; Ensure the provision of Free Basic Services and the maintenance of Indigent register.		To ensure the provision of services to communities in a sustainable manner	1	Output 2: Improving access to basic services

Job Level	Year - 2016/17		Employees: Sanitation Services		
	Employees	Posts		Vacancies (fulltime equivalents)	
	No.	No.		%	
0 - 3	0	N/A	N/A	N/A	
4 - 6	1	N/A	N/A	N/A	
7 - 9	0	N/A	N/A	N/A	
10 - 12	18	N/A	N/A	N/A	
13 - 15	4	N/A	N/A	N/A	
16 - 18	38	N/A	N/A	N/A	
19 - 20	0	N/A	N/A	N/A	
Total	61	N/A	N/A	N/A	

Capital Expenditure Year 0: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Heilbron Upgrading of Sewer Treatment works	R 56,430,000		R 55,994,571	-1%	
Mokwallo construction of sewer network (Bucket Eradication) : Project Implemented by DWS through Babereki	R 27,896,967		R 15,460,109		150
Heilbron Bucket Eradication : Project Implemented by DWS through Babereki					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The municipality has submitted the application to upgrade the Heilbron Waste water treatment works , and Refurbishment of the Vredefort waste water treatment work as a result of the bucket eradication in Parys and construct an outfall sewer line from Tumahole to the waste water treatment plant (2017/2018 financial year)

Status of Ngwathe Waste Water Treatment Plants

Town	Name of Plant	Current Usage	Design Capacity	Shortfall/surplus	Proposed plans
Parys	Parys waste water works	16 MI/D	7.3 MI/D	- 8.7/MI/D	There in a current project with DWA to increase the plant capacity to a value of R 20 000 000.00
Heilbron	Heilbron Waster water	5.5 MI/D	7MI/D	+ 1.5 MI/D	Cable theft is the only reason for plant breakdowns
Koppies	Koppies waste water	6 MI/D	5MI/D	- 1 MI/D	Submit the plans through WISG funding to capacitate the plant and installation of flow meters
Vredefort	Vredefort Waste water	3.5 MI/D	5.5MI/D	2 MI/D	Booster pump and transfer pumps are not fully functional and also the installation of flow meters
Edenville	EdenvilleOxidation ponds	2 MI/D	1.8 MI/D	- 0.2 MI/D	The ponds will be fenced and properly refurbished through internal funding
Total waste water		33 MI/D	26.6 MI/D	9.9 MID	

Vredefort

The operating and design capacity for the plant is 5.5ml/d and its daily operating on full capacity, major mechanical and electrical refurbishments are required for the plant to operate effectively and be able to accommodate the extra 1125 buckets under construction by Department of Water and Sanitation to be added on the system by end August 2017. The required proposed scope includes the refurbishments of mechanical, electrical, sealing and lining of the existing ponds and construction of storage house for chemicals to be able to improve the final effluent and improve on green drop standards and score. Technical and design reports outlining the issues to be addressed and required budgets are already in place and available with the municipality.

Heilbron

The operating and design capacity for the plant is 7ml/d and its daily operating on 6ml/d, the plant requires major upgrades of civils, mechanical and electrical this includes the construction clarifier, splitter box, bioreactor, inlet works and mechanical and electrical upgrades. The upgrades are required for the plant to operate effectively and be able to accommodate the extra 1661 buckets under construction by Department of Water and Sanitation to be added on the system by end August 2017. Technical and design reports outlining the issues to be addressed and required budgets are already in place and available with the municipality.

Koppies

The operating and design capacity for the plant is 4ml/d and its daily operating on 7.5ml/d, the plant requires major upgrades of civils, mechanical and electrical, the technical services department has already been summoned by council to compile a desk top study and to do need analysis and come with possible solutions regarding the sewer related issues

in the area

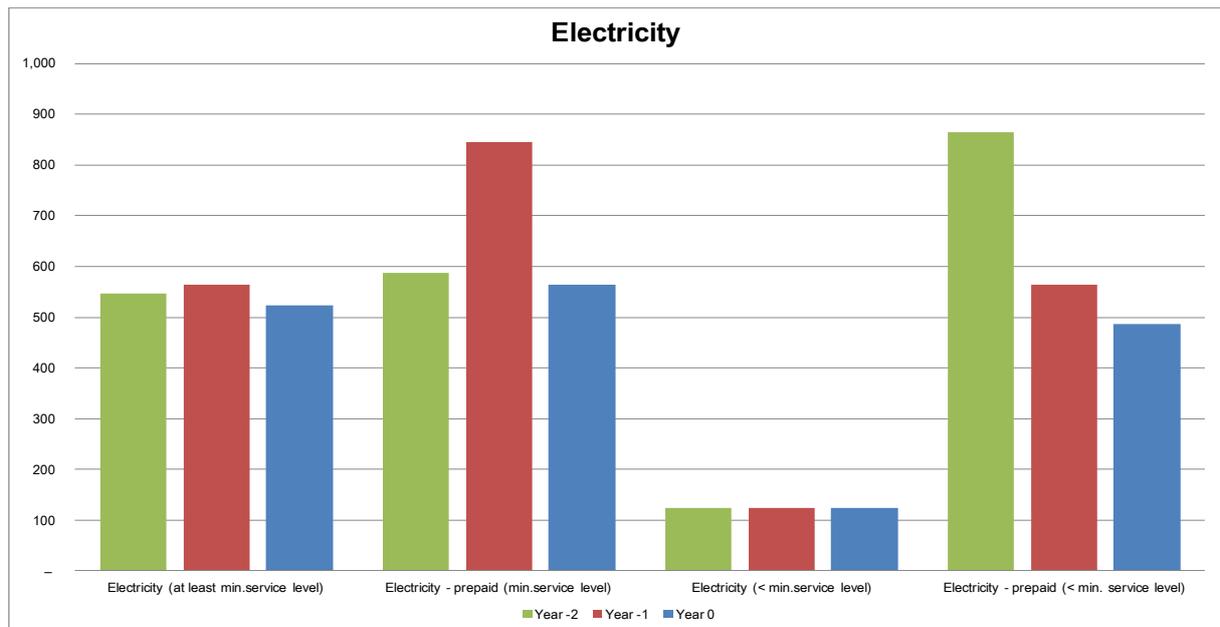
An amount of R 10 000 000.00 under the WISG fund (Water services infrastructure grant) has been set aside to address the sewage leaks in Kwakwatsi and construct an outfall sewer line from Kwakwatsi to the waste water treatment plant (2017/2018 financial year)

ELECTRICITY

INTRODUCTION TO ELECTRICITY

Bulk Supply

The municipality received funding from Department of energy for Koppies bulk line to the value of R 10 000 000.00



Households - Electricity Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		Actual No.
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	
Formal Settlements						
Total households	35103	35103	35,103	35,103	35,103	35,103
Households below minimum service level			-	-	-	-
Proportion of households below minimum service level			0%	0%	0%	0%
Informal Settlements						
Total households			-	-	-	-
Households below minimum service level						
Proportion of households below minimum service level						

Electricity Service Policy Objectives Taken From IDP

KPA 2: Basic Service Delivery and Infrastructure Investment

Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improving access to basic services	2.1	This objective is about sustaining basic standards of living and economic activity in the municipality through planning, implementation and maintenance of basic infrastructure.	This objective will ensure that the municipality performs the following basic activities: Develop and maintain fundable consolidated infrastructure plans (CIP). Ensure infrastructure maintenance and repairs to reduce distribution and other losses; Ensure the provision of Free Basic Services and the maintenance of Indigent register.		To ensure the provision of services to communities in a sustainable manner	1	Output 2: Improving access to basic services

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	N/A	2	N/A	N/A
4 - 6	0	N/A	0	N/A	N/A
7 - 9	10	N/A	10	N/A	N/A
10 - 12	12	N/A	12	N/A	N/A
13 - 15	1	N/A	1	N/A	N/A
16 - 18	5	N/A	5	N/A	N/A
19 - 20	18	N/A	18	N/A	N/A
Total	48	N/A	48	N/A	N/A

Capital Expenditure Year 0: Electricity Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Koppies Bulk line supply	R10,000,000.00	0	R10,000,000.00		R10,000,000.00
Parys: Installation of high mast lights	R3,022,644.0	0	R2,719,292.6		R3,022,644.0
Vredefort: Installation of high mast lights	R4,212,549.0	0	R4,072,192.7		R4,212,549.0
Koppies: Installation of high mast lights	R1,237,786.0	0	R1,001,712.9		R1,237,786.0
Heilbron: Installation of high mast lights	R1,832,738.0	0	R1,556,932.0		R1,832,738.0
Ngwathe/Edenville : Installation of 8 high mast lights (MIS:238106)	R2,427,691.0	0	R2,021,081.1		R2,427,691.0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

We are currently experiencing problems with non-functional meters in all five towns. In the next financial year, council will be procuring new metres.

We have been experiencing a serious challenge with cable theft in the entire municipality. The network was maintained from the Council’s budgeted maintenance amount.

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

This component includes Waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO WASTE MANAGEMENT

NLM have five landfill sites all unlicensed but Heilbron. We collect refuse from residential area once a week and twice in business per day. We use compactor trucks from GG and service provider in Parys, Vredefort compactor truck from service provider. Heilbron, Koppies and Edenville we use refuse tips. Our challenge is unlicensed and unfenced landfill sites, informal settlements where there is no refuse bins and access roads for compactor trucks.

Solid Waste Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week				37894
Minimum Service Level and Above sub-total				
Minimum Service Level and Above percentage				
Solid Waste Removal: (Below minimum level)				
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				
Total number of households				37894

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households						37894
Households below minimum service level						0
Proportion of households below minimum service level						0
Informal Settlements						
Total households						2319
Households below minimum service level						2319
Proportion of households below minimum service level						

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Waste Management Service Policy Objectives Taken From IDP

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improving access to basic services	2.1	This objective is about sustaining basic standards of living and economic activity in the municipality through planning, implementation and maintenance of basic infrastructure.	This objective will ensure that the municipality performs the following basic activities: Develop and maintain fundable consolidated infrastructure plans (CIP). Ensure infrastructure maintenance and repairs to reduce distribution and other losses; Ensure the provision of Free Basic Services and the maintenance of Indigent register.		To ensure the provision of services to communities in a sustainable manner	1	Output 2: Improving access to basic services

Job Level	Employees: Solid Waste Management Services			
	Year -1	Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No. %
0 - 3	0	N/A	0	N/A
4 - 6	6	N/A	6	N/A
7 - 9	0	N/A	0	N/A
10 - 12	0	N/A	0	N/A
13 - 15	0	N/A	0	N/A
16 - 18	65	N/A	65	N/A
19 - 20	0	N/A	0	N/A
Total	71	N/A	71	N/A

Capital Expenditure Year 0: Waste Management Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Construction of a solid waste disposal site in Parys	R11,500,000.00	R0	R3,322,114.47	-246%	R11,500,000.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Overall performance on solid waste management has improved drastically compared to previous years. We managed to adhere to our schedule of refuse removal with few downtimes. We have challenges with our landfill sites, they are not fenced, no machinery on site to push and compact the refuse and occasional altercation between our employees and pickers on site.

3.5 HOUSING

INTRODUCTION TO HOUSING

Ngwathe Local Municipality provides the Town Planning services to the communities; the main function of this department is to secure land; develop safe and healthy environment; to establish sustainable settlement areas; eradicate informal settlements; to ensure tenure of land; to ensure access to funding; to develop internal services and provide housing.

SITES

5 300 erven were pegged by LMV Town Planners in all five towns and the Township Register was open in June 2017.

TOWN	No of Sites Pegged
Tumahole - Ext. 8; 9 & 10	890
Phiritona - Ext. 10	1 368
Mokwallo - Ext. 7	327
Kwakwatsi - Ext. 5& 6	2 064
Ngwathe - Ext. 5	513
TOTAL:	5 300

EMENDO (Awaiting approval by Surveyor General)

TOWN	No of Sites
Tumahole - Ext. 7	864
Phiritona - Ext. 10	922
TOTAL	1 786

PROCLAIMED (No internal Services)

TOWN	No of Sites
Parys (Oudewerp)	480
Mokwallo	500
Koppies	150
TOTAL:	1 130

Housing Service Policy Objectives Taken From IDP

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Ensure development of a policy framework for the release of public assets for the purposes of low and affordable housing.	2.2	This objective is about ensuring the municipality has a spatial development framework that integrates human settlement planning	This objective will ensure that land-use practices are improved based on sufficient policy guidance and directives on optimal use of public land in municipal spaces.		To promote social and economic development;	1	Output 4: Actions supportive of the human settlement outcome

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Employees: Housing Services				
Job Level	Year -1	Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No. %
0 - 3	1	N/A	1	N/A
4 - 6	2	N/A	2	N/A
7 - 9	0	N/A	0	N/A
10 - 12	7	N/A	7	N/A
13 - 15	0	N/A	0	N/A
16 - 18	0	N/A	0	N/A
19 - 20	0	N/A	0	N/A
Total	10	N/A	10	N/A

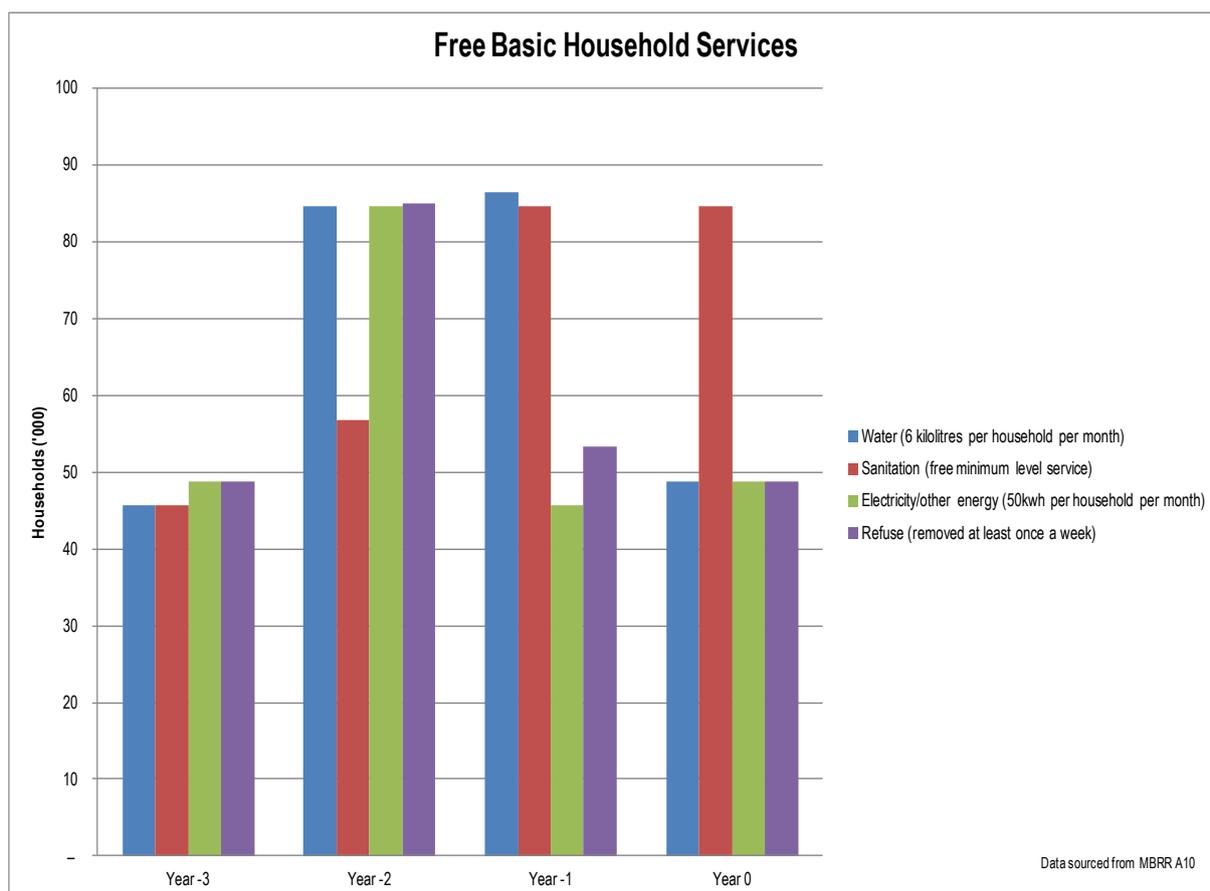
COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The shortage of stands does contribute to the housing delivery process. All five towns are affected by shortage of stands. Township establishment in five towns will alleviate shortage of stands.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an indigent policy as approved by the Council. The policy ensures that it households who cannot afford to pay for municipal services do benefit as well from municipal services. The poor communities will be able to use money for other basic needs like food, etc. The determining threshold for 2016/2017 was the total household income not exceeding R2 040.00 per month. However, the municipality does not provide alternative energy



Free basic services to low income households in terms of electricity 50 Kwh free electricity

Financial Year	Number of Houses	House Holds earning less than R 3100.00 per month										
		Total	Koppies		Parys		Heilbron		Edenville		Vredefort	
			Access	%	Access	%	Access	%	Access	%	Access	%
2015/16	35103	6968	761	11%	1260	18%	2702	39%	768	11%	1477	21%
2016/17	35103	7193	786	11%	1301	18%	2790	39%	792	11%	1524	21%

Financial Year	Number of Houses	Every house hold receives a total of 6kl free water										
		Total	Koppies		Parys		Heilbron		Edenville		Vredefort	
			Access	%	Access	%	Access	%	Access	%	Access	%
2015/16	35103	35103	4416	13%	16014	46%	6392	18%	2516	7%	5765	16%
2016/17	35103	35103	4416	13%	16014	46%	6392	18%	2516	7%	5765	16%

Status Quo regarding electricity and public lighting

Financial Year	Number of Houses	Indicate area that are with access to public lighting and other forms of energy										
		Total	Koppies		Parys		Heilbron		Edenville		Vredefort	
			Access	%	Access	%	Access	%	Access	%	Access	%
2015/16	35103		4416	100	16014	100	6392	100	2516	100	5765	100
2016/17	35103		4416	100	16014	100	6392	100	2516	100	5765	100

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Electricity: The total number of indigents provided was about 16 519. The municipality is providing indigent households with 50Kwh on electricity per month. However, there is a small number of household who continue to illegally bridge meters citing unemployment as the major reason. Non-Indigents households on the other hand are receiving 15K.

Water: The total number of indigents provided was about 16 519. The municipality is using a broad-based approach on all households by providing 6kl per household on water per month. However, there were still broken meters that need replacement. Non-Indigents are also provided with the same 6kl per household per month.

Sanitation: The total number of indigents provided was about 15 942 with a backlog of about households.

Refuse: The total number of indigents provided was about 15 942 with a backlogs of about 5347 households. There were no refuse bins as well as shortage of heavy equipment.

COMPONENT B: ROAD TRANSPORT

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

The municipality has a backlog of 339 kilometers of roads that require upgrading; however, the municipality has only managed to upgrade 1Kms in the 2016/2017 FY. This project was funded by the Municipal Infrastructure Grant and was implemented in Phiritona (1km)

Below is a list of projects, which are to be executed and completed in the 2017/2018 financial year:

Mokwallo: Paving of internal roads 1 km - The project includes construction of a 1km access road with interlocking paving blocks, concrete kerbs and provision of storm water via open channels. Edenville: Construction of a low-level bridge; the project includes construction of a low-level bridge in ward 18. Parys: Paving of internal roads 1km in Schonkenville. The project entails construction access road with interlocking paving blocks, concrete kerbs and provision of storm water via open channels.

Capital Expenditure Year 0: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R10 800 000	R17 467 540	R24 014 368	55%	
Heilbron/Phiritona: Paving of internal roads 1km (MIS:226541)	R6,800,000.00	R0	R6,546,828.36	-4%	R6,800,000.00
Koppies/Kwakwatsi: Construction of 3.5km storm water channel (MIS:229616)	R4,000,000.00	R17,467,540.00	R17,467,540.00	77%	R17,467,540.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Road Service Policy Objectives Taken From IDP

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improving access to basic services	2.1	This objective is about sustaining basic standards of living and economic activity in the municipality through planning, implementation and maintenance of basic infrastructure.	This objective will ensure that the municipality performs the following basic activities: Develop and maintain fundable consolidated infrastructure plans (CIP). Ensure infrastructure maintenance and repairs to reduce distribution and other losses; Ensure the provision of Free Basic Services and the maintenance of Indigent register.		To ensure the provision of services to communities in a sustainable manner	1	Output 2: Improving access to basic services

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

We have done gravel road maintenance in all towns during the financial year. The challenge was that the municipality had to hire road construction plant which was used in the maintenance because the municipality does not have the necessary plant.

The department of roads and public works has assisted the municipality significantly with the challenge of potholes

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development

INTRODUCTION TO PLANNING AND DEVELOPMENT

Ngwathe Local Municipality provides the town planning services to the communities; the main function of this department is to secure land; develop safe and healthy environment; to establish sustainable settlement areas; eradicate informal settlements; to ensure tenure of land; to ensure access to funding; to develop internal services and provide housing.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received		0		0		0
Determination made in year of receipt		0		0		0
Determination made in following year		0		0		0
Applications withdrawn		0		0		0
Applications outstanding at year end		0		0		0

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

Currently we cannot approve any application for development due to the fact that we don't have SPLUMA by-law in place. We do minor approvals such building plans, etc.

3.7 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The annual report of 2016/17 will cover activities and events that the LED Unit has been involved in during the mentioned financial year. The report will reflect on three economic drivers viz. Agriculture, tourism, manufacturing and assistance rendered to SMME's Annexures will be attached to the report.

Economic Activity by Sector			
R '000			
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	15	37	60
Mining and quarrying	6	5	2
Manufacturing	56	58	63
Wholesale and retail trade	45	51	52
Finance, property, etc.	51	48	61
Govt, community and social services	23	25	40
Infrastructure services	38	41	49
Total	234	265	327

AGRI, FORESTRY AND FISHING

According to the previous annual report, the LED Unit was able to assist two cooperatives to assist to occupy two commonages after the Council approval for their lease agreements e.g. Lion stream in Koppies and Edenville cooperative. During the annual financial year, both co-ops were able to be assisted by both the Department of Agriculture and Department of Rural Development. Loin stream was assisted with the improvement of the infrastructure because 30 km fencing was done, cattle kraal was erected within the commonage and the commercial farmer was appointed by DRD as a monitor to skill the beneficiaries with crop farming skills. The harvest from sunflower and maize has been profitable for this cooperative. The LED Unit continues monitoring this project to ensure that it becomes sustainable. The office will be informed later about their profit.

There are other lease agreements issues to various co-ops which include Heilbron piggery, Talita Khumi (old age in Vredefort), youth for change crop farming in Vredefort, poultry Vredefort. In Edenville the cooperative whilst struggling with funding was able to receive an assistance from recap (black emerging) farmers to grow sunflower in a space of 50 hectares. The harvest was also good. There are engagements of communication with the Department of Rural Development to assist the cooperative with both skills and funding for growing crops like maize and sunflower. The cooperative has members who are passionate about farming and willing to attend trainings organized by various departments.

Heilbron piggery as mentioned was amongst the cooperatives that received a lease agreement. The cooperative occupies an infrastructure which erected by the previously but dilapidated as it was not utilized. However, the cooperative is now receiving assistance from the Department of Agriculture FDDM. They have also approved other companies for assistance.

Talita Khumi in Vredefort also received the attention of the LED Unit. This NGO caters for the needs of the elderly people. The NGO requested the donation of the old building in order to become effective and efficient.

The Council gave consideration for their proposal and donated the building to them. The NGO is still waiting for potential funders such as Lotto to render assistance to them.

The poultry Vredefort project belong to female youth at Vredefort requested to occupy a commonage land on Lincon Farm. As the matter was urgent, she could be assisted by the municipality to occupy the property provisionally until the final lease agreement approved by Council. The project has the potential of employing 12 people and to become sustainable, as we have realized during our team monitoring.

COMMENT ON LOCAL JOB OPPORTUNITIES:

SMMES'S REPORT

The development, trainings and workshops of the SMME's has traditionally been organized by our local municipality and being dependent on the Fezile Dabi District Municipality and the various departments from the Provincial government. As the local municipality, we managed to organize a workshop for street vendors/hawkers on the by-laws for street vendors and hawkers in Parys on 26 July 2017 at Forum Building Hall the attendance was positive as it was attended by 87 hawkers.

MATSOPA MINERALS

The Matsopa Minerals in Koppies is supposed to implement SLP to can benefit Kwakwatsi community. The DMR (Department of Minerals and Resources) did not favour the proposal of sponsoring the bricklaying project, which was intended to establish the bricklaying project of the co-operative established by former employees from CWP. The Department referred the collapse of the co-operatives which and were sponsored by the mining sector in the experience as a reason to be not able to approve the proposal. The mine is still expected to implement the SLA with the advice from the DMR that the money could be channelled towards bursaries of students who could be identified as students having financial challenges to pursue their studies at the tertiary institutions. However, both the mine and NLM were given the chance to finalize the matter and forward the other proposals.

MAOOA TYRES

Amongst other achievements, Maaooa tyres also received a lease agreement to operate business from NLM site in Koppies. This is a self-employed individual having been struggled to operate his business within the community without a convenient agreement with the municipality. The lease agreement is attached to this report for details.

MEC DR BENNY MALAKOANE (DESTEА/SMAА BUSINESS)

Ngwathe Local Municipality benefitted from the programme initiated by the Provincial Department of DESTEА which convened SMME's at Parys on 06 July 2017 to have an open MEC DESTEА Road show session on the channels of accessing funding from government. The event was successfully attended and beneficial to the SMME's the attendance of participants was 349 from Ngwathe as a whole.

DE BEERS SLP COMMITMENT

The De Beers Voorspoed has committed itself to assist in the implementation of social labour plan. Their focuses will be on the NGO which they intend to assist by building an old age home. This building will be erected in Tumahole.

CAR WASH PROGRAM

The status quo of our car wash programs which were initiatives of Operation Hlasela are not in good state of functioning. In Tumahole, during the monitoring it was discovered that the beneficiaries are using the working place for the other illegal business of drug selling. The office of the Mayor intervened to resolve the situation.

The Vredefort car wash is still under the attention to identify new beneficiaries as the identified beneficiary was to operate temporarily on the site due to its anticipated previous collapse. The period of identified beneficiary has expired and there is a need for the Council to make a decision on new beneficiaries. However, the identified beneficiary has been made aware of the anticipated arrangements whilst still operating on the site for the convenience of avoiding the property against vandalism and dilapidation.

TOURISM AND MARKET PLACES

A lot of activities took place within tourism department. There was event that was hosted by Ngwathe Local Municipality training of youth and promotion of entrepreneurs amongst others.

Ngwathe Local Municipality hosted the flower festival in September 2016. The event was attended by all racial groups in great numbers. It was very much successful as the newspapers also reported after the event took place.

The annual power boat festival which promotes tourism was also successfully staged. This event seems to increase in terms of the tourist that attends. It has gained more popularity.

Through the assistance of DESTEA there are thirty-four containers placed in Bree Street for the purpose of promoting art and craft. The containers hub is still going to be bigger as the intention is to put sixty-four containers including the mentioned thirty-four, which are already placed on site.

There were twenty-five youths which were put on the tourism buddies for a period of twelve months. They received stipend of R1200.00 per month. The intention of this accredited training for level was to skill them on hotel restaurant and beverages industry fifteen of them managed to complete the training and graduated on 6th June 2017. The graduation ceremony was held in Welkom as the program was implemented throughout the province as an initiative of the National Department of Tourism and six of them are employed at various restaurants.

The renovation of the Vredefort Dome building is under the process of being implemented through the assistance of the National Department of Tourism.

Ngwathe Local Municipality has established good relationship with the Provincial Youth Chamber. Ten of our

youth entrepreneurs were able to attend the youth chamber expo in Bloemfontein. Our local municipality was able to buy ten containers for them to display their products. The event was organized for two days. It is anticipated that Ngwathe Local Municipality will again be hosting another big event in the form of fireworks event. This is an initiative of the Provincial DESTEA. A committee has been established to focus on the logistical matters for the event which is planned to be staged on 31st December 2017. The idea of this event is taken from Madeira which hosts this kind of an event twice every year.

The LED Unit managed to establish the tourism forum in Parys. There is a plan in place to establish other forums in other towns within the municipality. The final product will be to establish Ngwathe Tourism Forum, which will be inclusive of all racial groups from various towns.

Administratively, we were able to update our data information on tourism destination and tourism entrepreneurs. This information was updated in details that include addresses of the places and contact numbers.

The tourism industry has the potential to grow annually. The containers hub for arts and crafts entrepreneurs is going to promote tourism in Parys.

Job creation through EPWP* projects

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 4 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Lion stream farming	23	None	4	
Maooa tyres (Koppies)	1	None	4	
Edenville cooperatives	10	None	25	
Hotel and restaurant	6	None	6	
Nursery Project	7	None	7	

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2		
Year -1	Cleaning of WTW and WWTW (Parys)	20
	Cleaning of WTW and WWTW (Heilbron)	18
	Cleaning of WTW and WWTW (Vredefort)	4
Year 0	Construction of Park (Vredefort)	37
* - Extended Public Works Programme		
Job creation through EPWP* projects		

EPWP Projects		
Details	No.	Jobs created through EPWP projects
Year -1		
Year 0	Safe Guarding and Security (Parys)	6
	Safe Guarding and Security (Vredefort)	6
	Safe Guarding and Security (Heilbron)	4
Job creation through CWP* projects		
Details	No.	Jobs created through EPWP projects
Year -1		
Year 0	Food Gardening & removal of dumping sites & cleaning of school facilities (Koppies)	911
	(Vredefort)	198
	(Heilbron)	Not yet started
	(Edenville)	497
	(Parys)	233

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Local Economic Development Policy Objectives Taken From IDP

KPA 3: Local Economic Development							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Stimulate local economic growth	3.1	This objective is about ensuring increased local economic growth, employment creation and development initiatives within the context of sustainable development by creating an enabling environment for private business to invest and grow locally.	This objective will ensure that the municipality has greater flexibility and control over its resources to move beyond the basics and transform the local space economy and integrate and densify communities to improve sustainability.		To promote social and economic development	6	Output 3: Implementation of the Community Work Programme

Employees: Local Economic Development Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	
0 - 3	1		1	0	
4 - 6	3		3	0	
7 - 9	0		0	0	
10 - 12	0		0	0	
13 - 15	0		0	0	
16 - 18	0		0	0	
19 - 20	0		0	0	
Total	4		4	0	

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The major challenges have always been that of budget because there is small allocation for the unit, however there are some achievements which were attained in to give support to our communities and SMME's.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.8 CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS

Ngwathe Local Municipality performs the establishment, conduct and control of facilities for disposing of human and animal remains; this includes cemeteries, funeral parlors and crematories. The municipality committed itself to ensuring that all the towns have at least two decent cemeteries, one being in the town area whilst the other is in the township area.

Tariffs for same would also differ with the town area begin more than those of the townships. We further endeavor to provide ablution facilities within these areas. In terms of services, we render not only burials but cremations, top on top, exhumations, reopening etc.

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

SERVICE & AREA	PARYS	TUMAHOLE	HEILBRON	KOPPIES	VREDEFORT	EDENVILLE
Adults	603	181	224	505	19	1 351
Children	87	16	11	30	05	133
Top on top	03	06	0	5	0	08
Exhumation	01	00	0	0	0	01
Pauper	14	07	07	9	0	30
Reinternment	02	00	00	00	00	02

CEMETERIES

AREA	Cemetery sites in use
Parys	02
Tumahole	01
Schonkenville	01
Edenville	01
Ngwathe	01
Vredefort	01
Mokwallo	01
Vredeshoop	00
Heilbron	01
Phiritona	02
Sandersville	01
Koppies	01
Kwakwatsi	01
Total	14

Employees: Cemeteries and Crematoriums

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

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

Overall performance in this unit is satisfactory besides some challenges in recordkeeping in other towns

COMPONENT G: SECURITY AND SAFETY

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

3.9 FIRE

INTRODUCTION TO FIRE SERVICES

NLM provides Fire & Rescue for its five towns, In terms of the Fire Act we are seriously behind as an institution. Of the five towns only Parys has a 24 hours fire and rescue services, Heilbron operates a satellite station (07h45 - 16h30) other towns are without this function.

	Details	Year -1	Year 0	
		Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year			474
2	Total of other incidents attended in the year			10 671
3	Average turnout time - urban areas			7min
4	Average turnout time - rural areas			40 minutes
5	Fire fighters in post at year end			21
6	Total fire appliances at year end			00
7	Average number of appliance off the road during the year			00

The Ngwathe local municipality provides fire services to all five towns within her jurisdiction. We have one fire station in Parys, one satellite station in Heilbron other towns do not have such services. The Parys station operates 24 hours.

The fire department is severely understaffed and the equipment is old and not adequate, e.g. No fire engine, hazard vehicle, etc. The Heilbron satellite station is in a state of disrepair.

Employees: Fire					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	No.	No.	No.		
0 - 3	1		1	0	
4 - 6	0		0	0	
7 - 9	16		16	0	
10 - 12	5		5	0	
13 - 15	0		0	0	
16 - 18	5		5	0	
19 - 20	0		0	0	
Total	27		27	0	

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

Besides being understaffed and lack of adequate equipment fire services response to incidents was acceptable. We managed to attend almost all the calls received within reasonable time.

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

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

The Municipality have one Disaster Coordinator who is also Chief Fire & Rescue

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

One of the major challenges for the Disaster Management unit is human capital as well as the relevant equipment. Funding makes it increasingly difficult for the municipality to address these issues.

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

An active, creative and informed Ngwathe community

Strategic goals:

- To ensure provision of sport and recreation facilities within communities
- To promote Culture of participation in sport and recreation at all level in the community
- To provide performance, sport development and training service to Ngwathe Community

3.11 SPORT AND RECREATION

This Unit within the Community Service Department it comprises of the following sections

- Resorts (Mimosa, Eufees dam, MPCC)
- Sports Facilities
- Community Swimming Pools

Employees: Sport and Recreation					
Job Level	Year -1	Year 0		Vacancies (fulltime equivalent) No.	Vacancies (as a % of total posts) %
	Employees	Posts	Employees		
	No.	No.	No.		
0 - 3	0	1	0	N/A	N/A
4 - 6	1	N/A	1	N/A	N/A
7 - 9	0	N/A	0	N/A	N/A
10 - 12	0	N/A	0	N/A	N/A
13 - 15	0	N/A	0	N/A	N/A
16 - 18	0	N/A	0	N/A	N/A
19 - 20	0	N/A	0	N/A	N/A
Total	1	N/A	1	N/A	N/A

SERVICE STATISTICS FOR SPORT AND RECREATION

No	Events	Subjects	Town	No of Events	Participation	
					Youth	Elderly
1	OR Tambo Games	Ngwathe	Parys	1	455	0
	OR Tambo Games	District	Sasolburg	1	1 400	0
	OR Tambo Games	Provincial	Welkom	1	6 300	0
2	Amon Nteo Memorial Games	Multiple Sporting Codes Played including Youth Bash & Senior Citizens Games	Heilbron	1	4 600	253
3	Provincial Netball Tournament	Selecting plays to play for Team FS	Sasolburg	1	450	0
4	Freedom Day Soccer Tournament	Celebrating freedom day through sports	Edenville	1	384	0
5	Melato Ranakoli Soccer Tournament	Games during winter holidays	Koppies	1	1322	0
TOTAL				7	14 911	253

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Sports and Recreation has shown tremendous improvement even though there are some hiccups with other sporting codes, for instance; we do not have good working relationship with federations such as SAFA, Netball South Africa, Free State Sports Confederation, etc.

Another challenge is lack of proper sporting facilities in Koppies, Edenville, Vredefort and Heilbron. Facilities in those towns are either incomplete or vandalized. Whenever such facilities are about to be constructed there's no proper consultation with custodians of those facilities in terms of Technical aspects.

3.12 MIMOSA GARDENS RESORT

INTRODUCTION TO MIMOSA GARDENS RESORT

Mimosa Gardens is a resort that is owned and run by the Municipality, and it is situated on the banks of the Vaal River which makes it tourist attraction in the town of Parys and it also has a lot of capacity for Revenue collection for the Municipality.

No	Details		No
1	Chalets		41
2	Stands		105
3	Swimming pools		2
4	Super Tube		1
5	Ablution block facility		2
6	Playing ground for Children		2
7	Parks		2

Employees: Mimosa Gardens Resort					
Job Level	Year -1	Year 0		Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	Employees	Posts	Employees		
	No.	No.	No.		
0 - 3	1	1	1		
4 - 6	-	-	-		
7 - 9	-	-	-		
10 - 12	2	2	2		
13 - 15	1	1	1		
16 - 18	24		24		
19 - 20	-				
Total	28		28		

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

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

3.13 EXECUTIVE AND COUNCIL

This component includes executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipal Executive consists of Mayor, Speaker and Chairpersons of Committees who are Councilors including opposition party Councilors.

The council consists of ANC Councilors who are in majority followed by DA, EFF and FF+.

Our main priority is providing political support and oversight role over the administration of the municipality.

Provision of effective and un-interrupted service to the residence of the Municipality.

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The Executive and Council Policy Objectives Taken From IDP

KPA 5: Good Governance & Public Participation							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Ensure Good Governance practices to ensure effective, functioning municipality	5.1	This objective is about ensuring that the municipality is able to perform its basic governance functions.	This objective will ensure that the municipality ability to carry out the following basic governance functions: Holding of Council meetings as legislated. The functionality of oversight structures, s79 committees, audit committees and District IGR Forums. Putting in place efficient Anti-Corruption measures. Comply with legislation and the enforcement of by laws.		To provide democratic and accountable government for local communities	2	Output 6: Administrative and financial capability

KPA 5: Good Governance & Public Participation							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Ensure regular engagements with communities	5.2	This objective is about ensure compliance with the provisions of the Municipal Systems Act on community participation.	This objective will ensure that basic measures are put in place to ensure that: <ul style="list-style-type: none"> • Ward committees are functional, Effective public participation are in place to enable regular engagements with communities Community satisfaction surveys carried out regularly.		To encourage the involvement of communities and community organisations in the matters of local government.	3	Output 5: Deepen democracy through a refined Ward Committee Model

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Executive and Council		
Job Level	Year 2011/12	
	Employees	Posts
	No.	No.
Mayor	1	1
Speaker	1	1
MAYCO	-	8
Councillors	34	26
Total	36	36

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	6	75%
4 - 6	6	6	6	6	50%
7 - 9	2	2	2	12	85%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	10	10	10	24	

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Ngwathe Local Municipality was changed to Executive Council as from 1 July 2017. In the circumstances, 8 Councillors were changed to Mayoral Committee Members.

3.14 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Financial Services is responsible for the delivery of all financial-related. This includes the following:

- ☐ Strategic financial guidance.
- ☐ Budget: financial statements and related aspects.
- ☐ Expenditure management: which includes salaries and wages.
- ☐ Income and account services. (Revenue & Debt Collection)
- ☐ Supply Chain Management services.

There are a number of vacancies within the department, some of the vacant critical posts were advertised and will be filled during the 2017/18 Financial year.

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Electricity - B	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Electricity - C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water - B	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water - C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sanitation	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Refuse	N/A	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	N/A
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.							

Financial Service Policy Objectives Taken From IDP

KPA 4: Financial Viability & Management							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Ensure sound financial management	4.1	This objective is about planning, implementing, monitoring and reporting on financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards.	This objective will ensure that the municipality performance the legislated financial management activities and improve against the basic financial management and viability indicators.		To provide democratic and accountable government for local communities	4	Output 6: Administrative and financial capability

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	N/A	N/A	N/A	N/A	N/A
4 - 6	N/A	N/A	N/A	N/A	N/A
7 - 9	N/A	N/A	N/A	N/A	N/A
10 - 12	N/A	N/A	N/A	N/A	N/A
13 - 15	N/A	N/A	N/A	N/A	N/A
16 - 18	N/A	N/A	N/A	N/A	N/A
19 - 20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

DRAFT

3.15 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The department deals with the recruitment of staff, promotions, demotions, transfers, terminations, leave management, occupational health and safety and employee wellness.

The Municipal Manager has been appointed effective 22 February 2017 for a five-year contract ending in 2022. Director Technical Services has been appointed on the 26 June 2017 for a five-year contract ending in 2022.

During the period under review there are two Section 56 positions that have been advertised namely, CFO and Director Community Services because the employment contracts for both incumbents shall expire end October 2017.

Job Level	Year - 2016/17	Employees: Human Resource Services	
	Employees	Posts	Vacancies (fulltime equivalents)
	No.	No.	
0 - 3	3	4	N/A
4 - 6	0	4	N/A
7 - 9	3	9	N/A
10 - 12	0	2	N/A
13 - 15	0	0	N/A
16 - 18	0	0	N/A
19 - 20	0	0	N/A
Total	6	19	N/A

3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Section works with ensuring proper communication within and outside of the municipality in ensuring that,

1. Telephone systems are properly operational
2. Website of the municipality encompasses all the required information
3. Computer systems are properly functioning, updated, and maintained from time to time
4. Network infrastructure is continuously upgraded.

SERVICE OBJECTIVES	OUTLINE SERVICE TARGETS	YEAR 2016/17	
		TARGET	ACTUAL
		PREVIOUS YEAR	
To render effective and efficient IT Services	<p>To develop the municipal ICT Policy</p> <p>To upgrade the Internal telecommunication systems.</p> <p>3. To develop adequate IT infrastructure to service all towns.</p> <p>4. Operationalize the municipal website</p>	<p>Development of the ICT policy</p> <p>Improve our internal telephone lines to link with all Regions</p> <p>Upgrading of the website</p>	<p>ICT policy developed and approved by Council</p> <p>All administrators trained on intranet</p> <p>Website upgraded but there is information that must still be uploaded</p>

Job Level	Year - 2016/17	Employees: ICT		
	Employees	Posts	Vacancies (fulltime equivalents)	
	No.	No.		
0-3	0	1		
4-6	0	1		
7-9	5	5		
10 - 12	5	6		
TOTAL	10	13		

Capital Projects	Year 2016/17				
	Budget	Adjustment Budget	Actual Budget	Variance from original budget	Total Project Value
Upgrading of ICT infrastructure	R0	0	R0	0	R0

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The municipality still has to install a new windows server to improve the internet service.

3.17 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Section works with ensuring that discipline is maintained and negotiations and representation on litigations are adhered to, and ensure day-to-day administration of Council section 80 committees, MAYCO, LLF and Council items and agendas are prepared timeously.

SERVICE OBJECTIVES	OUTLINE SERVICE TARGETS	YEAR 2016/17	
		TARGET	ACTUAL
		PREVIOUS YEAR	
To provide monthly statics on disciplinary cases	Finalise DC matters within required three months period	Finalise all disciplinary tribunals	Only one disciplinary tribunal must be resolved
To provide information on conciliation & arbitration matters that has been referred to bargaining council	Finalising & dealing with all B/C matters effectively without resorting to expensive legal route		1 Matter at the Bargaining Council and 3 matters at the Labour Court to be resolved

Job Level	Year - 2016/17	Employees: LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES		
	Employees	Posts		Vacancies (fulltime equivalents)
	No.	No.		
0-3	0	1		
4-6	0	2		
7-9				
10-12	0	1		
16-18				
TOTAL	0	4		

Details	Year 2016/17	Capital Expenditure Year 0: Property; Legal; Risk Management and Procurement Services			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Litigations	R3m	R3m	R0	R0	

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

Municipality has only one airport in Parys that is leased to the Hangar Association in Parys. Abattoirs are privately owned.

INTRODUCTION

The Municipal Council needs to ensure that the municipality performs effectively within its administrative and financial capacity by creating relevant and adequate number of posts at various levels

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

DIRECTORATE	POST DESIGNATE	No	JOB LEVEL	%	SALARY	MINIMUM CAR ALLOWANCE	MAXIMUM MEDICAL	STATUS
Mayor's Office	Manager Communications	X 1	0	R750k (5%)	R164 085.36	R105 340	R46 452	NEW
	YDO	X 1	5		R266 968.20		R46 452	EXISTING
	Researcher	X 1	3		R333 695.52	R105 340	R46 452	NEW
	Appointment Secretary	X1	7		R198 468.48		R46 452	NEW
TOTAL	R1 046 285.36	3			R696 249.36	R210 680	R139 356	
Speaker Office	Researcher	X 1	3	R750k (5%)	R333 695.52	R105 340	R46 452	NEW
	Councilor Support	X 1	5		R198 468.48		R46 452	NEW
	Public Complaints Clerk	X 1	7		R198 468.48		R46 452	NEW
TOTAL	R975 328.48	3			R730 632.48	R105 340	R139 356	
MM	Regional Managers: Parys, Vredefort, Heilbron and Koppies	X 4	0	R1.5m (10%)	R431 053.56 x 4 = R1 724 214.24	R105 340 X 4 = R421 360	R46 452X 4 =R185 808	EXISTING
	Chief Risk officer	X 1	4		R302 213.64		R46 452	EXISTING
	Executive secretary	X 1	7		R198 468.48		R46 452	NEW
	IDP/PMS Manager	X 1	0		R431 053.56	R105 340	R46 452	EXISTING
	IDP/ PMS SENIOR Officer	X 1	3		R333 695.52	R105 340	R46 452	NEW
TOTAL	R730 408	2			R532 164.00	R105 340	R92 904	
Corporate Services	Human Resources & Labour Relations Manager	X 1	0	R1.5m (10%)	R431 053.56	R105 340	R46 452	EXISTING
	Legal Services and Admin Manager	X 1	0		R431 053.56	R105 340	R46 452	NEW
	Chief ICT Officer	X 1	3		R333 695.52	R105 340	R46 452	NEW
	Ass Managers; Recruitment & Labour Relations + Skills Development & Occupational Health & Safety,	X 2	4		R302 213.64 x 2 = R604 427.28		R46 452X 2 =R92 904	NEW
	Senior Committee Officers	X 2	7		R198 468.48 X 2 = R396 936.96		R46 452X 2 =R92 904	NEW
TOTAL	R2 155 505.32	6			R1 766 113.3	R110 680	R278	

					2		712	
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Financial Services	Budget Manager	X 1	0	R3.75 m (25%) R	R431 053.56	R105 340	R46 452	EXISTING
	Supply Chain, Asset and Fleet Manager	X 1	0		R431 053.56	R105 340	R46 452	EXISTING
	Payroll and Expenditure Ass Manager	X 1	4		R302 213.64		R46 452	EXISTING
	Assistant Manager, Receipts, Revenue and Cost Analysis	X 1	4		R302 213.64		R46 452	NEW
	Senior Meter Readers	X 4	7		R198 468.48 X 4 = R793 873.92		R46 452 X 4 = R185 808	NEW
	Senior Data Capturer	X 2	7		R198 468.48 X 2 = R396 936.96		R46 452 X 2 = R185 808	NEW
	Data Capturer	X 7	10		R126 480 X 7 = R999 192.00		R46 452 X 7 = R325 164	NEW
	Senior Credit Control Officer	X 1	5		R266 968.20		R46 452	NEW
	Billing Officers	X 4	7		R198 468.48 X 4 = R793 873.92		R46 452 X 4 = R185 808	2 NEW
	Meter Readers	20	10		R126 480 X 20 = R2 529 600.00		R46 452 X 20 = R929 040	25 NEW
TOTAL	7 894 286.64	39		R6 082 658.64		R1 811 628		

Community Services	Public safety Manager & Disaster Manager	X 1	0	R2.25 m (15%)	R431 053.56	R105 340	R46 452	EXISTING
	Social Services & Recreation manager	X 1	0		R431 053.56	R105 340	R46 452	NEW
	By Law Enforcers	X 4	07		R198 468.48 X 4 = R793 873.58		R46 452 X 4 = R185 808	NEW
	General workers: Parks Refuse Cemeteries	X 20	16		R82 468.08 X 20 = R1 649 361.60			
	SPLU & LED Manager (Spatial	X 1	0		R431 053.56	R105 340	R46 452	EXISTING

	Planning and Land Use)							
TOTAL	R3 211 888.74	25			R2 874 288.74	105 340	R232 260	
Technical Services	Senior Officer Built Environment & Integrated Infrastructure Planning	X 1	4	R4.5m (30%)	R302 213.64		R46 452	NEW
	Manager; Water and Sanitation Services	X 1	0		R431 053.56	R105 340	R46 452	NEW
	Senior Officer; Complaints and Customer Care	X 1	4		R302 213.64		R46 452	NEW
	Data Coordinator	X 1	7		R198 468.48		R46 452	NEW
	Water Scientist (Quality, Compliance, Norms and Standards) {Blue Drop, Green Drop, No Drop, etc.,}	X 1	3		R333 695.52	R105 340	R46 452	NEW
	Revenue Enhancement and Credit Control Support Officers (Field Coordinators)	X 2	7		R198 468.48 X 2 = R396 936.96		R46 452 X 2 =R92 904	NEW
	Planning Technician Bulk Housing Development Services	X 1	3		R333 695.52	R105 340	R46 452	NEW
	Superintendent Water & Sewer	X 3	3		R333 695.52	R105 340 x 3 = R316 020	R46 452 x 3 =R139 356	EXISTING
	Plumber Water & Sewer	X 5	7		R198 468.48 x 5 = R992 342.40		R46 452 x 5=R232 260	NEW
	Senior Technicians	X 1	3		R333 695.52	R105 340	R46 452	NEW
	Supervisors: Roads: Vredefort Bulk Water (Parys &	X 4	5		R266 968.20 X 4 = R1 067 872.8		R46 452 X 4 = R185 808	NEW

	Heilbron) & Bulk Sewer						
	Water & Sewer Operators: Heilbron Koppies	X 7	7		R198 468.48 X 7 = R1 389 279.36		R46 452 x 7=R325 164
TOTAL	R7 664 127.40	25			R6 081 467.40	R421 360	R1 161 300
GRAND TOTAL (Before inception of General Workers in Technical Services)	23 677 829.94				R18 763 573.94	R1 058 740	R3 855 516

3.18 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

COMMENT ON VACANCIES AND TURNOVER:

The Municipal Manager has been appointed effective 22 February 2017 for a five-year contract ending in 2022. Director Technical Services has been appointed on the 26 June 2017 for a five-year contract ending in 2022.

During the period under review there are two Section 56 positions which have been advertised namely, CFO and Director Community Services because the employment contracts for both incumbents shall expire end October 2017.

Budgeted vacant positions have been advertised and the closing date for the last position advertised is the 15 September 2017. Other vacant advertised positions have already closed on the 25 August 2017 and shortlisting as well as the interviews processes will commence in September 2017.

POSTS TO BE FILLED DURING THE FINANCIAL YEAR UNDER REVIEW

INTERNAL DORA (R15m)

DIRECTORATE	AMOUNT	PERCENTAGE %
1. MAYOR	R750 000	5%
2. SPEAKER	R750 000	5%
3. MM	R1,5m	10%
4. CORPORATE	R1,5m	10%
5. FINANCE	R3.75m	25%
6. COMMUNITY	R2.25m	15%
7. TECHNICAL	R4,5m	30%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

All HR policies have been developed and from time to time the collective agreements are amended, we also amend the policies and submit them to council for adoption.

POLICIES

Name of Policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
	%	%	
Ngwathe Working Hours Policy	100	0	01/04/2008
Ngwathe Voluntary Separation Policy	100	0	01/04/2008
Ngwathe Use of Policy Manual	100	0	01/04/2008
Ngwathe Use of Mayoral Vehicle and Official Journeys Policy	100	0	01/04/2008
Ngwathe Use of Internet, Computer software and hardware and	100	0	01/04/2008
Ngwathe use of external recruitment agencies Policy	100	0	01/04/2008
Ngwathe Theft and Loss Policy	100	0	01/04/2008
Ngwathe Succession Planning Policy	100	0	01/04/2008
Ngwathe Substance Abuse (Alcohol and Drugs) Policy	100	0	01/04/2008
Ngwathe Subsistence and Travelling Policy	100	0	01/04/2008
Ngwathe Smoking Policy	100	0	01/04/2008
Ngwathe Skills Development Policy	100	0	01/04/2008
Ngwathe Sexual and Racial Harassment Policy	100	0	01/04/2008
Ngwathe Salary advances Policy	100	0	01/04/2008
Ngwathe Resignation Policy	100	0	01/04/2008
Ngwathe Relocation Expenditure Policy	100	0	01/04/2008
Ngwathe Recruitment and Selection Policy	100	0	01/04/2008
Ngwathe Protective Clothing and Uniforms Policy	100	0	01/04/2008
Ngwathe Protected Disclosure Policy	100	0	01/04/2008
Ngwathe Promotion Policy	100	0	01/04/2008
Ngwathe Policy Manual Index	100	0	01/04/2008
Ngwathe Policy Manual Front cover	100	0	01/04/2008
Ngwathe Placement Policy	100	0	01/04/2008
Ngwathe Performance Management Policy	100	0	01/04/2008
Ngwathe Payroll Deductions Policy	100	0	01/04/2008
Ngwathe Overtime Template	100	0	01/04/2008
Ngwathe Organisational Rights Policy	100	0	01/04/2008
Ngwathe Operational Requirements Policy	100	0	01/04/2008
Ngwathe Official Housing Policy	100	0	01/04/2008
Ngwathe Occupational Health and Safety Policy	100	0	01/04/2008
Ngwathe Membership of Professional Societies Policy	100	100	28/02/2013
Ngwathe Medical Examination Policy	100	0	01/04/2008
Ngwathe Medical Aid Policy	100	0	01/04/2008
Ngwathe Long Service Policy	100	0	01/04/2008
Ngwathe Leave policy	100	0	01/04/2008
Ngwathe Leave Encashment Policy	100	0	01/04/2008
Ngwathe Language Policy	100	0	01/04/2008
Ngwathe Job Evaluation Policy	100	0	01/04/2008

Ngwathe Induction Policy	100	0	28/02/2013
Ngwathe Incapacity Policy	100	0	01/04/2008
Ngwathe Housing and Rental Allowance Policy	100	0	01/04/2008
Ngwathe Home Owners Policy	100	0	01/04/2008
Ngwathe HIV AIDS Policy	100	0	01/04/2008
Ngwathe Group Life Policy	100	0	01/04/2008
Ngwathe Grievances Policy	100	0	01/04/2008
Ngwathe Firearms and Dangerous Weapons Policy	100	0	01/04/2008
Ngwathe Extraneous Employment (Moonlighting) Policy	100	0	01/04/2008
Ngwathe Exit Management and Staff Retention Policy	100	0	01/04/2008
Ngwathe Entertainment Policy	100	0	01/04/2008
Ngwathe Employment Equity Policy	100	0	01/04/2008
Ngwathe Employee Use of Assets Policy	100	0	01/04/2008
Ngwathe Employee Assistance and Wellness Policy	100	0	01/04/2008
Ngwathe Disciplinary Code Policy	100	0	01/04/2008
Ngwathe Conflict of Interest Policy	100	0	01/04/2008
Ngwathe Confidentiality of Information Policy	100	0	01/04/2008
Ngwathe Code of Conduct Policy	100	0	01/04/2008
Ngwathe Cellular Phone Policy			
Ngwathe Career Pathing Policy	100	0	01/04/2008
Ngwathe Bursaries Policies			
Ngwathe Appointment in an Acting Position Policy	100	0	01/04/2008
Ngwathe Allowances Policy	100	0	01/04/2008
	100	0	01/04/2008
	100	0	01/04/2008

3.19 INJURIES, SICKNESS AND SUSPENSIONS

COMMENT ON INJURY AND SICK LEAVE:

The municipality has the contracts with different medical practitioners who treat our employees in line with the program agreed with them from time to time. Employees who are injured on duty are sent to private hospitals and the relevant forms are completed for the Compensation Commissioner.

INJURIES, SICKNESS AND SUSPENSIONS

Types of injuries	Number and cost of injuries on duty				
	Injury Leave taken	Employees using injury Leave	Proportion employees using sick leave	Average injury Leave per employee	Total Estimated Cost
	Days	No	%	Days	R
Required basic medical attention only		2			
Temporal total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total		2	0	0	

Number and period of suspension				
Position	Nature of suspension	Days of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
Electrician	Suspension with pay	80	Disciplinary tribunal was postponed because one of the witnesses was hospitalised	0

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
None	None	None	N/A

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

None

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Create skills development opportunities for Councilors, Employees and the Community. To conduct and update the credible skills audit and compile the Workplace Skills Plan (WSP). To implement the WSP in the form of skills programs, Learnerships, Artisanship, Internships and Bursaries

3.20 SKILLS DEVELOPMENT AND TRAINING

Program	NQF Level	Categories	Number of Beneficiaries	Qualification Obtained	Service Provider	Funder
Payday System HR and Payroll			08	Certificates of attendance	payday	NLM
Minimum Competency	Lev 5	18.1	39	In progress	We invest Business Enterprise	Treasury
	Lev 5		24	Completed	Kgolo Institutes	
Internship		18.2	05		NLM	FS Treasury
		18.2				
Experiential Training		18.2	03		NLM	NLM
		18.2		NLM	NLM	

DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by officials and councilors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in Appendix J

CHAPTER 4: SERVICE DELIVERY PERFORMANCE REPORT

Organizational Performance Management and Top-Level SDBIP report

On an operational level, performance is monitored via the Departmental Service Delivery Budget Implementation Plan (SDBIP) throughout the various departments in the Municipality.

PERFORMANCE REPORT 2016/17

VOTE / PROGRAMME 1: OFFICE OF THE MUNICIPAL MANAGER

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(a)	Improve administrative and financial capability.	4 Qly Internal Audit Reports and related Management Action Plans with specific focus on Risk Management, Internal	Number of Qly Internal Audit Reports and related Management Action Plans with specific focus on Risk Management	SLA's were concluded, Twelve (12) Monthly and four (4) Qly reports submitted in the	4 Qly Internal Audit Reports (i.e one report per Q) and related Management Action Plans with specific focus on Risk Management, Internal Controls,	1 Qly Internal Audit Reports (i.e one report per Q) and related Man	1	1 Qly Internal Audit Reports (i.e one report per Q) and related Man	1	1 Qly Internal Audit Reports (i.e one report per Q) and related Man	1	1 Qly Internal Audit Reports (i.e one report per Q) and related Man	1	Achieved		0	0	Audit committee / performance committee report	4

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators **Annual Performance Targets** **2015/16** **2017/18**

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		Controls, and Performance Management by 30 June 2017	ment, Internal Controls, and Performance Management by 30 June 2017	financial year 2015/16	and Performance Management by 30 June 2017	agement Action Plans with specific focus on Risk Management		agement Action Plans with specific focus on Risk Management		agement Action Plans with specific focus on Risk Management		agement Action Plans with specific focus on Risk Management						orts to be submitted to Council - four (4	

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators																Annual Performance Targets				2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																							
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target				
						agement by 30 September 2016		agement by 31 December 2016		agement by 31 March 2017		agement by 30 June 2017											
1.1(b)	Improve administrative and financial capability.	4 Qly Internal Audit Reports and related Management Action Plans with specific focus on ICT systems and infrastructure by 30	Number of Qly Internal Audit Reports and related Management Action Plans with specific focus on ICT systems and	4 Internal Audit reports submitted to the Audit Committee in 2015/16	4 Qly Internal Audit Reports (i.e one report per Q) and related Management Action Plans with specific focus on ICT systems and infrastructure by 30 June 2017	1 Qly Internal Audit Reports and related Management Action Plans with speci	1	1 Qly Internal Audit Reports and related Management Action Plans with speci	1	1 Qly Internal Audit Reports and related Management Action Plans with speci	1	1 Qly Internal Audit Reports and related Management Action Plans with speci	1	Achieved		0	0	0	0				

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators																Annual Performance Targets				2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																							
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target				
		June 2017	infrastructure by 30 June 2017			fic focus on ICT systems and infrastructure by 30 September 2016		fic focus on ICT systems and infrastructure by 31 December 2016		fic focus on ICT systems and infrastructure by 31 March 2017		fic focus on ICT systems and infrastructure by 30 June 2017											
1.1(c)	Improve administrative and financial capability.	100% of Post Audit Action Plan matters for 2015/16 relating	% of Post Audit Action Plan matters for 2014/15 relating	2015/16 Audit Action Plan.	100% of Post Audit Action matters for 2014/15 relating to leadership, predetermined	100% of Post Audit Action Plan matters	0	100% of Post Audit Action Plan matters	0	100% of Post Audit Action Plan matters	0	100% of Post Audit Action Plan matters	0	Not Achieved		0	0	Nine (9) internal audit report	9				

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators																Annual Performance Targets				2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																					
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target		
		to leadership, predetermined objectives and other matters addressed by 30 June 2017	to leadership, predetermined objectives and other matters addressed by 30 June 2017		objectives and other matters addressed by 30 June 2017	for 2014 /15 relating to leadership , predetermined objectives and other matters addressed by 30 Sept emb		for 2014 /15 relating to leadership , predetermined objectives and other matters addressed by 31 December		for 2014 /15 relating to leadership , predetermined objectives and other matters addressed by 31 March		for 2014 /15 relating to leadership , predetermined objectives and other matters addressed by 30 June 2017							s to be issued		

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators																Annual Performance Targets				2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																							
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target				
						er 2016		2016		2017													
1.1(f)	Improve administrative and financial capability.	Within 5 calendar days of receiving confirmation of appointment of service provider /supplier for the department from the SCM, issue a written instruction together with supporting	Number of calendar days of receiving confirmation of appointment of service provider /supplier for the department from the SCM it took to issue a written instruction	2015/16 signed SLAs.	Within 5 calendar days of receiving confirmation of appointment of service provider /supplier for the department from the SCM, issue a written instruction together with supporting documents relating to	Within 5 calendar days of receiving confirmation of appointment of service provider /supplier for	0	Within 5 calendar days of receiving confirmation of appointment of service provider /supplier for	0	Within 5 calendar days of receiving confirmation of appointment of service provider /supplier for	0	Within 5 calendar days of receiving confirmation of appointment of service provider /supplier for	0	Not Achieved		0	0	0	0				

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators Annual Performance Targets 2015/16 2017/18

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		g documents relating to the appointment to the Legal Services division for drafting of Service Level Agreement for the period ending 30 June 2017	on together with supporting documents informing contract to the Legal Services division for drafting of Service Level Agreement for the period ending 30 June 2017		the appointment to the Legal Services division for drafting of Service Level Agreement for the period ending 30 June 2017	the department for the SCM, issue a written instruction together with supporting documents relating		the department from the SCM, issue a written instruction together with supporting documents relating		the department from the SCM, issue a written instruction together with supporting documents relating		the department from the SCM, issue a written instruction together with supporting documents relating							

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators **Annual Performance Targets** **2015/16** **2017/18**

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			30 June 2017			ng to the appointment to the Legal Services division for drafting of Service Level Agreement for the perio		ng to the appointment to the Legal Services division for drafting of Service Level Agreement for the perio		ng to the appointment to the Legal Services division for drafting of Service Level Agreement for the perio		ng to the appointment to the Legal Services division for drafting of Service Level Agreement for the perio							

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
						d ending 30 September 2016		d ending 31 December 2016		d ending 31 March 2017		d ending 30 June 2017							
1.1(g)	Improve administrative and financial capability.	Ensure submission of WSP and Annual Training Report for 2017/18 financial year to LGSETA by 30 April 2017	Date of submission on WSP and ATR Report for 2017/18 financial year to LGSETA	2016/17 WSP & ATR reports	Ensure submission of WSP and ATR report for 2017/18 financial year to LGSETA by 30 April 2017	N/A		N/A		N/A		Ensure submission of WSP and ATR report for 2017/18 financial year to LGSETA	1	Achieved		1 WSP	100% compliance with WSP	Increased number of skilled employees, Councilors &	Not Specified

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators **Annual Performance Targets** **2015/16** **2017/18**

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
												TA by 30 April 2017						Ward Committee Members including Community Members	
1.1(h)	Improve administrative and financial	Ensure submission of 12 WSP monthly	Number of monthly WSP monitoring	Monthly monitoring and	Ensure submission of 12 WSP monthly monitoring	Ensure submission of	0	Not Achieved		100% compliance with	100%	Increased number	341 Training for						

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators Annual Performance Targets 2015/16 2017/18

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
	capability.	monitoring and implementation reports to LGSETA within 7 days after the end of each month during 2016/17 financial year	ng and implementation reports submitted to LGSETA within 7 days after the end of each month during 2016/17 financial year	implementation reports submitted to LGSETA in 2014/15 financial year	and implementation reports to LGSETA within 7 days after the end of each month during 2016/17 financial year	3 WSP monthly monitoring and implementation reports to LGSETA within 7 days after the end of each month		3 WSP monthly monitoring and implementation reports to LGSETA within 7 days after the end of each month		3 WSP monthly monitoring and implementation reports to LGSETA within 7 days after the end of each month		3 WSP monthly monitoring and implementation reports to LGSETA within 7 days after the end of each month				legislation		er of skilled employees, Councilors & Ward Committee Members including community	Councilors, employees, Ward Committee Members including community

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators																Annual Performance Targets				2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																					
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target		
						h during this Q.		h during this Q.		h during this Q.		h during this Q.						Community Members	members		
1.1(i)	Improve administrative and financial capability.	Investigate all reported cases of loss, security breaches, fraud, corruption and improper application of security measures and report in	Number of cases of loss, security breaches, fraud, corruption and improper application of security measures reported	N/A	Investigate all reported cases of loss, security breaches, fraud, corruption and improper application of security measures and report in relation thereto by 30 June	Investigate all reported cases of loss, security breaches, fraud, corruption and	0	Investigate all reported cases of loss, security breaches, fraud, corruption and	0	Investigate all reported cases of loss, security breaches, fraud, corruption and	0	Investigate all reported cases of loss, security breaches, fraud, corruption and	5	Not Achieved	Targets should be more clearly defined	100% High court, Magistrate Courts, Arbitrations as well as Labour Cour	100%	0	0		

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators Annual Performance Targets 2015/16 2017/18

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		relation thereto by 30 June 2017	against number of cases actually investigated by 30 June 2017		2017	impr oper appli catio n of secur ity meas ures and repo rt in relati on there to by 30 Sept emb er 2016		impr oper appli catio n of secur ity meas ures and repo rt in relati on there to by 31 Dece mber 2016		impr oper appli catio n of secur ity meas ures and repo rt in relati on there to by 31 Marc h 2017		impr oper appli catio n of secur ity meas ures and repo rt in relati on there to by 30 June 2017				t matt ers are spee dily finali zed in a less costl y man ner. Also deali ng with settl ements outsi de Cour			

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators **Annual Performance Targets** **2015/16** **2017/18**

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
																t to save costs			
1.1(j)	Improve administrative and financial capability.	Convene 12 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Number of monthly departmental meetings convened by 30 June 2017 for continuous strategic alignment of departmental	Monthly departmental meetings held in 2014/15	Convene 12 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Convene 3 monthly departmental meetings by 30 September 2016 for continuous	0	Convene 3 monthly departmental meetings by 31 December 2016 for continuous strat	0	Convene 3 monthly departmental meetings by 31 March 2017 for continuous strat	0	Convene 3 monthly departmental meetings by 30 June 2017 for continuous strat	0	Not Achieved		0	0	0	0

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			plans and goals			strategic alignment of departmental plans and goals		egic alignment of departmental plans and goals		egic alignment of departmental plans and goals		align ment of departmental plans and goals							
1.1(k)	Improve administrative and financial capability.	Convene 12 monthly Senior Management meetings by 30 June 2017 for continuous strategic alignment	Number of monthly Senior Management meetings convened by 30 June 2017 for continuous	Monthly departmental meetings held in 2014/15	Convene 12 monthly Senior Management meetings by 30 June 2017 for continuous strategic alignment of organisatio	Convene 3 monthly Senior Management meetings by 30 Sept	0	Convene 3 monthly Senior Management meetings by 31 Dec	0	Convene 3 monthly Senior Management meetings by 31 Marc	0	Convene 3 monthly Senior Management meetings by 30 June	0	Not Achieved		0	0	0	0

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators																Annual Performance Targets				2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																					
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target		
		of organisational plans and goals	ous strategic alignment of organisational plans and goals		nal plans and goals.	ember 2016 for continuous strategic alignment of organisational plans and goals		mber 2016 for continuous strategic alignment of organisational plans and goals		h 2017 for continuous strategic alignment of organisational plans and goals		2017 for continuous strategic alignment of organisational plans and goals									

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators Annual Performance Targets 2015/16 2017/18

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(l)	Improve administrative and financial capability.	Prepare and submit the departmental annual leave plan for 2016/17 to Human Resource Management unit by 30 September 2016	Date of submission of departmental annual leave plan to Human Resource Management unit.	N/A	Prepare and submit the departmental annual leave plan for 2016/17 to Human Resource Management unit by 30 September 2016	Prepare and submit the departmental annual leave plan for 2016/17 to Human Resource Management unit	0	N/A		N/A		N/A		Not Achieved		0	0	0	0

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
						by 30 September 2016													
1.1(y)	Improve administrative and financial capability.	4 Qly internal (SHREQ) compliance reports with indicators of highest level of compliance with all applicable SHREQ legislation by 30 June 2017	Number of Qly internal (SHREQ) compliance reports with indicators of highest level of compliance with all applicable	four (4) Qly reports submitted to management for consideration and noting during 2015/16	4 Qly internal (SHREQ) compliance reports with indicators of highest level of compliance with all applicable SHREQ legislation by 30 June 2017	1 Qly internal (SHREQ) compliance report with indicators of highest level	0	1 Qly internal (SHREQ) compliance report with indicators of highest level	0	1 Qly internal (SHREQ) compliance report with indicators of highest level	0	1 Qly internal (SHREQ) compliance report with indicators of highest level	0			Provision of protective clothing for all categories of employees	100%	Ensure that all employees receive PPE in line with the	Tender was advertised on a seven-day notice and the

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators Annual Performance Targets 2015/16 2017/18

For the Period 1 July 2016 – 30 June 2017

Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			SHREQ legislation by 30 June 2017			of compliance with all applicable SHREQ legislation by 30 September 2016		of compliance with all applicable SHREQ legislation by 31 December 2016		of compliance with all applicable SHREQ legislation by 31 March 2017		of compliance with all applicable SHREQ legislation by 30 June 2017						cifications of different sections within the municipality	applications received. Different suppliers submitted the samples during the

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
																				meeting that was arranged on Monday, 31 July 2017 between management

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 actual	Q 2	Q 2 actual	Q 3	Q 3 actual	Q 4	Q 4 actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
																				, trade unions and service providers.

KPA 2: Basic Service Delivery and Infrastructure Investment

Performance Objectives And Indicators																Annual Performance Targets				2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																					
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target		
2.2	Ensure development of a policy framework for the release of public assets for the purposes of low and affordable housing .	Reviewed SDF of the municipality for 2017/18 financial and submitted for approval by Council by 30 June 2017	1 Reviewed SDF document of the municipality for 2017/18 financial year and Council resolution for approval by 30 June 2017	Reviewed SDF for Ngwa the LM in 2014/15.	Review the SDF of the municipality for 2017/18 financial year and submit for Council approval by 30 June 2017.	Process plan for review of 2017/18 SDF approved by 30 September 2016	0	Consultation with both internal and external stakeholders and consolidation of all inputs and a report in relation thereto submitted by 31 December 2016	0	Consolidation of inputs into a draft document and development of a draft document and a report in relation	0	Reviewed SDF of the municipality for 2017/18 financial year submitted to Council for approval by	0	Not Achieved		Establishment of Municipal Planning Tribunal (MPT) and implementation of Spl	1	0	0		

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality	2015/16 Annual Financial Statements disclosure and the Auditor-General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred to	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred to	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred to	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred to	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred to	0	Not Achieved		4	0	SCM reports submitted to monthly to Provincial and National Treasury	100 %

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017		non-compliance to the municipality's Supply Chain Management Policy, 2005 and the MFMA by 30 June 2017	non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management		non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management		compliance to the municipality's Supply Chain Management Policy, Supply Chain Management		Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017							

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
					t Regulations, 2005 and the MF MA by 30 June 2017	men Regulations, 2005 and the MF MA by 30 September 2016		t Regulations, 2005 and the MF MA by 31 December 2016		Regulations, 2005 and the MF MA by 31 March 2017									

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1 (o)	Ensure sound financial management	2017/18 Budget prepared in accordance with Municipal Standard Chart of Accounts (mSCOA) framework and regulations, internally audited and	Signed-off Internal Audit report on the compliance of 2017/18 budget with framework and regulations by 31 May 2017	2016/17 Annual Budget	Ensure that 2017/18 Budget is prepared in accordance with Municipal Standard Chart of Accounts (mS	Establish mSCOA project team, develop and document project plan and submit to Council for appr	0	Report progress for milestones relating to Q1 of 2016/17 to Council, Provincial and National Treasuries in	0	Report progress for milestones relating to Q2 of 2016/17 to Council, Provincial and National Treasuries in	0	Submit internally audited budget as to Council for approval by 31 May 2017 and report progress for milestones relating to Q3 of 2016/17 to Council, Provincial and	1	Partially		4	0	1 Final budget on the 31 of May 2018	1

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		submitted for Council approval by 31 May 2017			COA) framework and regulations, internally audited and submitted for Council approval by 31 May	oval, Provincial and National Treasuries consideratio n by 30 September 2016.			s in line with the approved Project Plan by 31 December 2016.			line with the approved Project Plan by 31 March 2017 .		National Treasuries in line with the approved Project Plan by 30 June 2016.					

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
					2017.														

KPA 5: Good Governance & Public Participation

Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(a)	Ensure Good Governance practices to ensure effective, functioning municipality	Submit 1 draft IDP for the 2017/18 budget year to the council for approval by 1 March 2017.	Number of draft IDPs submitted to the council for approval by 15 March 2017.	2016/17 approved IDP	Submit 1 draft IDP for the 2017/18 budget year to the council for approval by 15 March 2017.	N/A		N/A		Submit 1 draft IDP for the 2017/18 budget year to the council for approval by 15 March 2017.	1	N/A		Achieved		1	1	Develop Compliant IDP	1
5.1(b)	Ensure Good Governance practices to ensure effective	Submit 1 draft SDBIP for the 2016/17 budget year and 5 drafts	Number of draft SDBIP for the 2016/17 budget year and	2015/16 SDBIP and Performance 5 Agree	Submit 1 draft SDBIP for the 2016/17 budget year and 5 drafts of the annual performance	Submit 1 draft SDBIP for the 2016/17	1	N/A		N/A		N/A		Achieved		1	1	Monitoring & reporting of performance inform	4

	e, functioning municipality	of the annual performance agreements for the same period to the Executive Mayor by 14 July 2016	number of drafts of the annual performance agreements for the same period submitted to the Executive Mayor by 14 July 2016	ments.	agreements for the same period to the Executive Mayor 14 July 2016	budget year and 5 drafts of the annual performance agreements for the same period to the Executive Mayor by 14 July 2016									IDP & Budget		ation		
5.1(c)	Ensure Good Governance practices to ensure effective, functioning municipality	5 Signed Performance Agreements & Plans for the senior managers including the	Number of signed Performance Agreements & Plans for the senior managers	Five performance plans and agreements for the MM and Senior Manager	5 Signed Performance Agreements & Plans for the senior managers including the Municipal Manager for 2016/17 financial year concluded by	Signed Performance Agreements & Plans for the senior managers	5	N/A		N/A		N/A		Achieved		5	5	0	0

5.1(e)	Ensure Good Governance practices to ensure effective, functioning municipality	4 Qly performance assessment reports for 5 senior managers (including the Municipal Manager) concluded and signed-off not later than 30 days after the end of each Q during 2016/17 and 1 annual performance report for	number Qly performance assessment reports not later than 30 days after the end of each Q and number of annual performance reports by 31 August 2015 for 2014/15	Five performance plans and agreements for the MM and Senior Managers for the 2015/16 and annual performance report for 2014/15	4 Qly performance assessment reports for 5 senior managers (including the Municipal Manager) concluded and signed-off not later than 30 days after the end of each Q during 2016/17 and 1 annual performance report for 2015/16 signed-off and submitted to the Auditor-General by 31 August 2016	1 Qly performance assessment report for Q 4 of 2015/16 for 5 senior managers (including the Municipal Manager) concluded and signed-off by 30 September 2016 and 1 annual perfor	0	1 Qly performance assessment report for Q 1 of 2016/17 for 5 senior managers (including the Municipal Manager) concluded and signed-off by 31 December 2016	0	1 Qly performance assessment report for Q 2 of 2016/17 for 5 senior managers (including the Municipal Manager) concluded and signed-off by 31 March 2017	0	1 Qly performance assessment report for Q 3 of 2016/17 for 5 senior managers (including the Municipal Manager) concluded and signed-off by 30 September	0	Not Achieved		Number of Qly performance reviews conducted	1 Performance reviewed per Q	Monitoring & reporting of performance information	4 Reports submitted Council
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		2015/16 signed-off and submitted to the Auditor- General by 31 August 2016				mance report f2015/ 1 signed -off and submi tted to the AG by 31/08 /16						2016							
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5.1(f)	Ensure Good Governance practices to ensure effective, functioning municipality	Submit 1-signed-off Mid-term budget and performance assessment report for 2016/17 to the Executive Mayor, Provincial & National Treasuries by 25 January 2017	Number of signed-off mid-term budget and performance assessment report for 2016/17 submitted to the Executive Mayor, Provincial & National Treasuries by 25 January 2017	2015/16 Mid-year budget and performance assessment report	Submit 1-signed-off Mid-term budget and performance assessment report for 2016/17 to the Executive Mayor, Provincial & National Treasuries by 25 January 2017	N/A		N/A		Submit 1-signed-off Mid-term budget and performance assessment report for 2016/17 to the Executive Mayor, Provincial & National Treasuries by 25 January 2017	1	N/A		Achieved		0	0	0	0
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5.1(g)	Ensure Good Governance practices to ensure effective, functioning municipality	Submit 1 audited annual report for 2015/16 to Provincial Treasury, CoGTA and National Treasury by 31December 2016.	Number of audited annual report for 2015/16 submitted to Provincial Treasury, CoGTA and National Treasury by the end of 31December 2016.	Audited Annual Report for 2014/15	Submit 1 audited annual report for 2015/16 to Provincial Treasury, CoGTA and National Treasury by the end of 31December 2016.	N/A		Submit 1 audited annual report for 2015/16 to Provincial Treasury, CoGTA and National Treasury by the end of 31December 2016.	1	N/A		N/A		Achieved		Report on annual municipal performance in compliance with section 46	1	Oversight reports to Council	4
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5.1(h)	Ensure Good Governance practices to ensure effective, functioning municipality	4 Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit Committee by 30 June 2017	Number of Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 30 June 2017	4 Internal Audit Qly reports submitted to the Audit-Committee in 2014/15	4 Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 30 June 2017	1 Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 30 September 2016	1	1 Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 31	1	1 Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 31 March 2017	1	1 Qly Internal Audit reports on the assessment of the effectiveness of the controls within the municipality submitted to the Audit – Committee by 30	1	Achieved		To establish our own audit committee	1	Audit committee/performance committee reports to be submitted to Council	4
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								December 2016				June 2017							
5.1(i)	Ensure Good Governance practices to ensure effective, functioning municipality	4 Qly performance reports and 1 draft annual report for 2015/16 internally audited and submitted to the Audit Committee & MPAC by 30 June 2017	Number of Qly performance reports internally audited and annual reports submitted to the Audit Committee & MPAC by 30 June 2017	4 Qly Performance Reports submitted to Internal Audit in 2015/16	4 Qly performance reports and 1 draft annual report for 2015/16 internally audited and submitted to the Audit Committee & MPAC by 30 June 2017	Q 4 of 2015/16 performance report internally audited by 30 September 2016	1	Q 1 of 2016/17 performance report internally audited by 31 December 2016	1	Q 2 of 2016/17 performance report internally audited by 31 March 2017	1	Q 3 of 2016/17 performance report and 1 annual report internally audited and submitted	1	Achieved		Report on annual municipal performance in compliance with section 46	1 Section 46 Report compiled, adopted by Council and submitted to ME	Oversight reports to Council	4

						quentl y updat ed		plans subs eque ntly upda ted.		updat ed.		subs eque ntly upda ted.							
5. 1(k)	Ensure Good Governance practices to ensure effective, functioning municipality	Execute risk preventive actions for the threats and enhance ment actions assigned as per the risk management plan and submit 4 Qly reports in relation thereto by 30 June 2017.	Number of risks mitigated / prevented against the number of risks assigned as per the plan and number of Qly reports submitted in relation thereto by 30 June 2017.	N/A	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 4 Qly reports in relation thereto by 30 June 2017.	Execut e risk preve ntive action s for the threat s and enhan cemen t action s assign ed as per the risk manag ement plan and submi t 1 Qly report in relatio	1	Exec ute risk prev entiv e actio ns for the threa ts and enhan cemen t actio ns assign ed as per the risk manag ement plan	1	Execut e risk preven tive action s for the threat s and enhan cemen t action s assign ed as per the risk manag ement plan and submit 1 Qly report in relatio	1	Exec ute risk prev entiv e actio ns for the threa ts and enhan cemen t action s assign ed as per the risk manag ement plan	1	Achieve d		Capa citat e risk man age ment unit	Ap pro ved risk regi ster s and upda tes on Qly bas is	4 Risk Manag ement Comm ittee	4

						<p>n theret o by 30 Septe mber 2016.</p>		<p>and sub mit 1 Qly repo rt in relati on there to by 31 Dece mber 2016</p>		<p>n theret o by 31 March 2017.</p>		<p>and sub mit 1 Qly repo rt in relati on there to by 30 June 2017</p>						
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VOTE / PROGRAMME 2: FINANCE

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(c)	Improve administrative and financial capability.	100% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	2015/16 Audit Action Plan.	100% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	100% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	0	100% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	0	100% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	0	100% of Post Audit Action Plan matters for 2015/16 relating to Finance, pre-terminated objectives and other matters	0	Not Achieved		0	0	Progress on the implementation of the Audit Plan to address queries raised in the 16/17 financial years.	100%

		addressed by 30 June 2017	addressed by 30 June 2017		addressed by 30 June 2017	addressed by 30 September 2016		addressed by 31 December 2016		addressed by 31 March 2017		addressed by 30 June 2017							
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KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets								2015/16		2017/18			
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(a)	Ensure sound financial management	12 signed-off monthly budget statement reports, 4 Qly finan	Number of signed-off monthly budget statements submitted.	2015/16 monthly budget statements submitted.	12 signed-off monthly budget statement reports, 4 Qly finan	3 signed-off monthly budget statement reports, 1 Qly financi	0	3 signed-off monthly budget statement reports, 1 Qly finan	0	3 signed-off monthly budget statement reports, 1 Qly financi	0	3 signed-off monthly budget statement reports, 1 Qly finan	0	Not Achieved		0	0	S52D is reported to the office of the Mayor	Target not set

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		cial reports for 2016 /17 produced and submitted to the Executive Mayor by 30 June 2017	rts, Qly financial reports, for 2016 /17 produced and submitted to the Executive Mayor by 30 June 2017		cial reports for 2016 /17 produced and submitted to the Executive Mayor by 30 June 2017	al report for 2016/ 17 produced and submitted to the Executive Mayor by 31 October 2016		cial report for 2016 /17 produced and submitted to the Executive Mayor or by 31 January 2017		al report for 2016/ 17 produced and submitted to the Executive Mayor by 31 April 2017		cial report for 2016 /17 produced and submitted to the Executive Mayor or by 30 June 2017							

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(b)	Ensure sound financial management	12 signed-off monthly bank reconciliation statements of all bank accounts by 30 June 2017	Number of signed-off monthly bank reconciliation statements of all bank accounts by 30 June 2017	2015/16 Bank Reconciliation Statements	12 signed-off monthly bank reconciliation statement of all bank accounts by 30 June 2017	3 signed-off monthly bank reconciliation statement of all bank accounts by 31 October 2016	0	3 signed-off monthly bank reconciliation statement of all bank accounts by 31 January 2017	0	3 signed-off monthly bank reconciliation statement of all bank accounts by 31 April 2017	0	3 signed-off monthly bank reconciliation statement of all bank accounts by 30 June 2017	0	Not Achieved		3 Reports	0	Ensure that monthly bank reconciliations are performed	100 %

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(c)	Ensure sound financial management	2015/16 signed-off Annual Financial Statements prepared in accordance with the South African Standard	Auditor-General's Report on the 2015/16 Annual Financial Statements and the related Auditor-General's Report was submitted on the 1 October	2014/15 signed-off Annual Financial Statements and the related Auditor-General's Report was submitted on the 1 October	Prepare 2015/16 Annual Financial Statement by 31 August 2016	Submission of Annual Financial Statement	1	N/A		N/A		0	0	Achieved		Ensure timely submission of AFS	1	Progress on the implementation of the Audit Plan to address queries raised in the 16/17 financial years.	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		s of Generally Recognised Accounting Practices (GRAP) and section 122 of MFA by 31 August 2016	AFS not being compiled in accordance with GRAP and section 122 of MFMA.	2015	Recognised Accounting Practices (GRAP) and section 122 of MFA by 31 August 2016														

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(d)	Ensure sound financial management	Review and sign-off one (1) Audit File and Audit File schedule and the actual Audit file for 2015/16 financial year that is	Number of reviewed and signed-off audit file schedule and the actual Audit file for 2015/16 financial year that	2014/15 Audit File	Review and sign-off one (1) Audit File and Audit File schedule respectively for 2015/16 financial year that is	Submission of AFS File by 31 August 2016	1	N/A		N/A		N/A		Achieved		Ensure timeous submission of AFS	100%	100% Progress on the implementation of the Audit Plan to address queries raised in the 16/17 financial years.	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		compliant with Annexure A of MFM A Circular 50 by 31 August 2016 .	is compliant with Annexure A of MFMA Circular 50 submitted to the AG by 31 August 2016 .		compliant with Annexure A of MFM A Circular 50 by 31 August 2016 .														

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(e)	Ensure sound financial management	Ensure timely billing on the 20th of each month of the monthly bulk municipal accounts	The date of the monthly billing of the bulk municipal accounts	2015/16 Monthly Billing reports	12 Monthly billing done on the 20th of each month	3 monthly Billing will still be done by the 28th of every month	0	3 monthly billing be done by the 25th of every month	0	3 monthly billing will be done on the 23rd	1	3 monthly billing will be done by the 20th and will be 100% compliant	1	Partially achieved		Monthly billing statements to be sent out to all consumers	Not reported	Monthly billing statements to be sent out to all consumers	100%
4.1(f)	Ensure sound financial	Ensure timely distribution	The number of days	2015/16 Bulk Mail Post	12 Monthly distribution	3 monthly distribution	0	3 monthly distribution	0	3 monthly distribution	1	3 monthly distribution	1	Partially achieved		Monthly billing statements to be sent out	Not reported	Start to issue accounts by utilizing	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
	Financial management	Distribution of the monthly bulk municipal accounts 7 days after billing has been completed	after billing was completed, it took to distribute the bulk municipal accounts.	Reports	Completion of the municipal bulk accounts 7 days after billing has been completed.	Completion of municipal bulk accounts, 7 days after billing has been completed by 30 September 2016.		Completion of municipal bulk accounts, 7 days after billing has been completed by 31 December 2016.		Completion of municipal bulk accounts, 7 days after billing has been completed by 31 March 2017.		Completion of municipal bulk accounts, 7 days after billing has been completed by 30 June 2017.				to all consumers		Implementing email/sms function on the financial system for consumers	
4.1(g)	Ensure sound financial	Initiate issuing accounts	The number of consumers	N/A	210 Consumer statements	10 Consumer statements	0	40 Consumer statements	0	60 Consumer statements	0	100 Consumer statements	0	Not Achieved		Monthly billing statements to be sent out	100%	Monthly billing statements to	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
	Financial management	Units by utilizing email functionality on the financial system for consumers	Number statements issued via the email functionality on the financial system by 30 June 2017		Statements issued via the email functionality on the financial system by 30 September 2016.			Statements issued via the email functionality on the financial system by 31 December 2016				Statements issued via the email functionality on the financial system by 31 March 2017.						Statements to be sent out to all consumers via email	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(h)	Ensure sound financial management	80% accuracy in all billing based on the number of accounts billed on a monthly basis by 30 June 2017 .	% accuracy in all billing based on the number of accounts billed on a monthly basis by 30 June 2017 .	2015/16 Account Billing reports and meter reading books	80% accuracy in all billing based on the number of accounts billed on a monthly basis by 30 June 2017 .	20% accuracy in all billing based on the number of accounts billed on a monthly basis by 30 September 2016.	0	40% accuracy in all billing based on the number of accounts billed on a monthly basis by 30 December 2016	0	60% accuracy in all billing based on the number of accounts billed on a monthly basis by 31 March 2017.	1	80% accuracy in all billing based on the number of accounts billed on a monthly basis by 30 June 2017.	1	Partially Achieved		20% of Debtors referred to debt collection company for taking action	20%	Meter be to accurately and are constantly read. Gradually replace conventional meters for water and electricity with pre-paid meters	90%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1 (i)	Ensure sound financial management	Complete data purification on all debt or information on the financial system by 30 June 2017	The number of debt or information on the financial system validated and updated.	2015/16 Debtors information.	Complete data purification on all debt or information on the financial system by 30 June 2017	25% data purification on all debtor information on the financial system by 30 September 2016.	0	50% data purification on all debt or information on the financial system by 31 December 2016	0	75% data purification on all debt or information on the financial system by 31 March 2017.	Analyse the debt accounts	100% data purification on all debtor information on the financial system by 30 June 2017.	Consolidation of accounts is in progress	Partially Achieved		accurate monthly meter readings by end June 2016	100%	Door to Door Data purification conducted and credible billing information be available for billing customers	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(j)	Ensure sound financial management	Complete an annual update on the Supplementary valuation roll by 30 June 2017.	The number of annual updates of the supplementary valuation roll	2015/16 Supplementary Valuation roll	One (1) Annual updates of the supplementary valuation roll completed by 30 June 2017.	N/A		N/A		N/A		One (1) Annual updates of the supplementary valuation roll completed by 30 June 2017.	Implemented monthly valuation reconciliation by comparing it with 2014-18 Valuation roll within the financial system and all identified	Achieved		100%	Accuracy of the valuation roll be implemented by end June 2016.	0	0

KPA 4: Financial Management & Viability																				
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
														variances are cleared on a monthly basis						
4.1 (k)	Ensure sound financial management	Increase revenue collection rate to 75% by 30 June 2017	% of revenue collection by 30 June 2017	2015/16 Billing and Revenue Collection reports.	75% Revenue Collection rate by 30 June 2017	Increase Revenue Collection rate to 45% by 30 September 2016.	0	Increase Revenue Collection rate to 55% by 31 December 2016	0	Increase Revenue Collection rate to 65% by 31 March 2017.	5%	Increase Revenue Collection rate to 75% by 30 June 2017.	10%	Not Achieved		Collection rate to reach 85% by end of March 2016		Break even	100%	
4.1(l)	Ensure	Develop	The num	2015/16	12 Mon	3 Month	0	3 Mon	0	3 Mont	2016/17	3 Month	2016/17	Partially		100% accurate		Ensure that	100%	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
	sound financial management	and maintain Indigent register through the 2016 /17 financial year.	number of monthly reports regarding the updates that were done on the Indigent register by 30 June 2017	Indigent register	monthly reports regarding the updates that were done on the Indigent register by 30 September 2016.			monthly reports regarding the updates that were done on the Indigent register by 31 December 2016		monthly reports regarding the updates that were done on the Indigent register by 30 March 2017.	Indigent register for the 3rd Q is 9472	monthly reports regarding the updates that were done on the Indigent register by 30 June 2017.	Indigent register for the 4th Q is 9467 till end of June 2017.	achieved		indigent register by June 2016		the registration requirements are clear and are written in well understood language for each area of the municipality.	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(m)	Ensure sound financial management	4 Qly reviews and updating of financial management related internal controls based on the Qly Internal Audit	Number of Qly reviews and updating of financial management related internal controls	Audit Action Plan of 2015/16	4 Qly reviews and updating of financial management related internal controls based on the Qly Internal Audit	1 Qly review and updating of financial management related internal controls based on the Qly Internal Audit reports by 30 September	0	1 Qly review and updating of financial management related internal controls based on the Qly Internal Audit	0	1 Qly review and updating of financial management related internal controls based on the Qly Internal Audit reports by 30 September	0	1 Qly review and updating of financial management related internal controls based on the Qly Internal Audit reports by 30 June	0	Not Achieved		Target not set	0	100% Progress on the implementation of the Audit Plan to address queries raised in the 16/17 financial years	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		reports by 30 June 2017 .	Qly Internal Audit reports by 30 June 2017 .		reports by 30 June 2017 .	2016.		t reports by 31 December 2016 .		ts by 31 March 2017		2017							

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(n)	Ensure sound financial management	Review, update and submit for Council approval the following Budget related policies by 30 June 2017:	Number and description of Budget related policies	2015/16 Budget related policies	Review, update and submit for Council approval the following Budget related policies by 30 June 2017:	N/A		N/A		Finalise review of submitted Budget related policies by 28 February 2017, finalise review of the actual draft polici	0	Submit final draft policies for approval by Council by 31 May 2017.	1	Partially Achieved		Annually	1	Adjustment budget on the 25th of January 2018 Final budget on the 31 of May 2018	Target not set

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		Asset Management, Banking & Investment, Funding & Reserves Budgeter Virement, Budget & Reporting, Supply	cil by 30 June 2017		Asset Management, Banking & Investment, Funding & Reserves, Budgeter Virement, Budget & Reporting, Supply					es by 31 March 2017.									

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		Chain Management, Credit Control and Debt Collection, Tariff Policy, Indigent Support Policy, Reve			Chain Management, Credit Control and Debt Collection, Tariff Policy, Indigent Support Policy, Reve														

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		nue Enhancement Strategy, Rates and Taxes, Bad Debt .			nue Enhancement Strategy, Rates and Taxes, Bad Debt.														

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(o)	Ensure sound financial management	Approved budget for 2017/18 financial year by 31 May 2017	The number of approved budgets for 2017/18 by 31 May 2017	2016/17 Approved budget	Approved budget for 2017/18 financial year by 30 June 2017	N/A		N/A		Draft Budget and supporting documents submitted to Council 31 March 2017	1	Final Draft Budget and supporting documents submitted to Council for approval by 31 May 2017	1	Achieved		Annually	1	Adjustment budget on the 25th of January 2018 Final budget on the 31 of May 2018	1
4.1(p)	Ensure sound financial man	100% of all monthly payment	% of all monthly payment	2015/16 Payment vouchers & files	100% of all monthly payment	100% of all monthly payment vouch	0	100% of all monthly payment	0	100% of all monthly payment vouch	0	100% of all monthly payment vouch	0	Not Achieved		Monthly	0	Payment Reconciliations to be performed	100%

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
	agement	vouchers and accompanying supporting documents of filed, registered and kept in safe custody within 30 days of	vouchers and accompanying supporting documents of filed, registered and kept in safe custody within 30		vouchers and accompanying supporting documents of filed, registered and kept in safe custody within 30 days of	ers and accompanying supporting documents of filed, registered and kept in safe custody within 30 days of each month through		vouchers and accompanying supporting documents of filed, registered and kept in safe custody within 30		ers and accompanying supporting documents of filed, registered and kept in safe custody within 30 days of the		ers and accompanying supporting documents of filed, registered and kept in safe custody within 30 days of each month						timeously.	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		the end of each month throughout 2016/17 financial year.	days of the end of each month throughout 2016/17 financial year.		the end of each month throughout 2016/17 financial year.	throughout this Q		days of the end of each month throughout this Q		end of each month throughout this Q		throughout this Q							

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Perform ance Feedback	Annual Target	Actual	Object	Target
4.1(q)	Ensure sound financial management	100 % of contracted services creditors on the system reconciled to supporting documentation on a monthly	% of contracted services creditors on the system reconciled to supporting documentation on a monthly	2015/16 Creditor's Analysis Reports	100 % of contracted services creditors on the system reconciled to supporting documentation on a monthly	100% of contracted services creditors on the system reconciled to supporting documentation on a monthly basis through this Q.	0	100 % of contracted services creditors on the system reconciled to supporting documentation on a monthly	0	100% of contracted services creditors on the system reconciled to supporting documentation on a monthly basis	0	100% of contracted services creditors on the system reconciled to supporting documentation on a monthly basis through this Q.	0	Not Achieved		Monthly	0	Creditors Reconciliation are approved monthly	100 %

KPA 4: Financial Management & Viability																				
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
		basis throughout 2016 /17 financial year.	basis throughout 2016 /17 financial year.		basis throughout 2016 /17 financial year.			basis throughout this Q.		throughout this Q.										
4.1(r)	Ensure sound financial management	2 biannual assets verification performed and asset registers updated	Number of biannual assets verification performed and asset registers updated	2015/16 Annual Assets Verification	2 biannual assets verification performed and asset registers updated	1 biannual assets verification performed and asset registers updated	0	N/A	0	1 biannual assets verification performed and asset registers updated	0	N/A		Not Achieved		Monthly	0	Assets physical Verification	100 %	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		ted with all asset movements, and report any damaged / missing items by 30 June 2017	registers updated with all assets movements, and report any damaged / missing items by 30 June 2017		ted with all assets movements, and report any damaged / missing items by 30 June 2017	all assets movements, and report any damaged / missing items by 31 December 2016				ed with all assets movements, and report any damaged / missing items by 30 June 2017									

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	2015/16 Annual Financial Statements disclosure and the Auditor-General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to	0	Not Achieved		Monthly	0	SCM reports submitted to monthly to Provincial and National Treasury	100 %

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		ce to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005	the municipality's Supply Chain Management Policy, Supply Chain Management Regulations,		ce to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005	Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 September 2016		pliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations,		the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA		Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30/06 2017							

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		and the MFM A by 30 June 2017	2005 and the MFMA by 30 June 2017		and the MFM A by 30 June 2017			2005 and the MFM A by 31 December 2016		A by 31 March 2017									
4.1(t)	Ensure sound financial management	Develop and implement a Fleet Management plan for 2016/17 by 30 June	The number of Fleet management plan developed and the number	2015/16 Report on status of municipal vehicles, repairs and maintenance	1 Fleet Management Plan to be developed and monthly reports on	Develop a Fleet Management plan and submit to the CFO for approval by 30 September	0	3 Monthly progress reports on the implementation of the Fleet Man	0	3 Monthly progress reports on the implementation of the Fleet Management	0	3 Monthly progress reports on the implementation of the Fleet Management Plan	0	Not Achieved		Target not set	0	To ensure compliance and strict management on fleet Recruiting the Fleet Manager	Ensure that the fleet department is revived within the period of 6 mon

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		2017	ber of monthly reports compiled on the implementation of the Fleet Management Plan by 30 June 2017		the implementation of the Fleet Management Plan by 30 June 2017	2016.		agement Plan by 31 December 2016		nt Plan by 31 March 2017.		by 30 June 2017.							ths

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(u)	Ensure sound financial management	Qly maintenance of the SCM Stores stock inventory by 30 June 2017	The number of Qly reports on the stock count that was completed by 30 June	30 June 2016 Stock count report	4 Qly reports on the stock count that was completed by 30 June	1 Qly reports on the stock count that was completed by 30 September 2016.	0	1 Qly reports on the stock count that was completed by 31 December	0	1 Qly reports on the stock count that was completed by 31 March 2017.	0	1 Qly reports on the stock count that was completed by 30 June 2017.	0	Not Achieved		Submit stock tacking to the Accounting Officer and FINCOM bi-annual.	0	Security and stores management To upgrade security and refurbish stores	100 %

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			pleted by 30 June 2017		2017			mber 2016											
5.1 (k)	Ensure Good Governance practices to ensure effective, functioning municipality	Execute risk preventive actions for the threats and enhance number of risks assigned	Number of risks mitigated / prevented against the threats and enhance number of risks assigned	N/A	Execute risk preventive actions for the threats and enhance number of risks assigned	Execute risk preventive actions for the threats and enhance number of risks assigned	0	Execute risk preventive actions for the threats and enhance number of risks assigned	0	Execute risk preventive actions for the threats and enhance number of risks assigned	0	Execute risk preventive actions for the threats and enhance number of risks assigned	0	Not Achieved		Target not set	0	Target not set	0

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators						Annual Performance Targets										2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		ned as per the risk management plan and submit 4 Qly reports in relation thereto by 30 June 2017 .	as per the plan and number of Qly reports submitted in relation there to by 30 June 2017 .		ned as per the risk management plan and submit 4 Qly reports in relation there to by 30 June 2017 .	manag ement plan and submit 1 Qly report in relation thereto by 30 September 2016.		ned as per the risk management plan and submit 1 Qly report in relation there to by 31 December 2016 .		ned as per the risk management plan and submit 1 Qly report in relation thereto by 31 March 2017 .		manag ement plan and submit 1 Qly report in relation thereto by 30 June 2017.							

VOTE / PROGRAMME 3: CORPORATE SERVICES

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators															Annual Performance Targets			2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(m)	Improve administrative and financial capability.	Organise the annual EAP Internal Sports for all municipal employees to participate by 30 June 2017.	The number of EAP internal sports held and the number of municipal employees participated in the	2015/16 EAP Internal Sports	1 EAP Internal Sports held and all municipal employees participated	N/A		N/A		N/A		1 EAP Internal Sports held and all municipal employees participated	0	Not Achieved		Target not set	0	0	0

			sports by 30 June 2017.		ed by 30 June 2017							ed by 30 June 2017							
1.1(n)	Improve administrative and financial capability.	Review all 64 existing policies and promulgation of new by-laws by 30 May 2017.	The number of existing policies reviewed and updated by 30 May 2017.	2015/16 Existing municipal policies.	Review all 64 existing policies and promulgation of new by-laws by 30 May 2017.	N/A		N/A		N/A		Review all existing policies and promulgation of new by-laws by 30 May 2017.	0	Not Achieved		Adoption of the by-laws and policies	100%	0	Target not set
1.1(o)	Improve admin	Ensure that the system for leave	The number of monthly reports	Ngwathe Leave Policy	12 Monthly reports	3 Monthly reports on	0	3 Monthly reports on	0	3 Monthly reports	1	3 Monthly reports	1	Partially Achieved		Thorough training of HR	100%	Target not set	0

	istrative and financial capability.	days is continually updated	on the update of the Leave days system by 30 June 2017.		on the update of the Leave days system by 30 June 2017.	the update of the Leave days system by 30 September 2016.		the update of the Leave days system by 31 December 2016.		on the update of the Leave days system by 31 March 2017.		on the update of the Leave days system by 30 June 2017.				personnel regarding updating of system			
1.1(p)	Improve administrative and financial capability.	Conduct Qly workshops with all stakeholders regarding all recognised collective bargaining agreements, applicable	The number of Qly workshops conducted with all stakeholders regarding all recognised collective bargaining agreements	Approved Employment Equity Plan.	4 Qly workshops conducted with all stakeholders regarding all recognised collective	1 Qly workshops conducted with all stakeholders regarding all recognised collective bargaining agreements,	0	1 Qly workshops conducted with all stakeholders regarding all recognised collective bargaining agreements,	0	1 Qly workshops conducted with all stakeholders regarding all recognised collective	0	1 Qly workshops conducted with all stakeholders regarding all recognised collective	0	Not Achieved		Maintain healthy and conducive working environment by reviewing EE plan and report. Submission of EE	100% (Preparation and submission)	Employee wellness programs	Target not set

	legislation and policies to be implemented and submit an Employment Equity report to the Department of Labour by 30 June 2017.	ents, applicable legislation and policies to be implemented and the number of Employment Equity reports submitted to the Department of Labour by 30 June 2017.		active bargaining agreements, applicable legislation and policies to be implemented and submit 1 Employment Equity report to the Department of Labour by	applicable legislation and policies to be implemented by 30 September 2016.		applicable legislation and policies to be implemented by 31 December 2016.		active bargaining agreements, applicable legislation and policies to be implemented by 31 March 2017.		active bargaining agreements, applicable legislation and policies to be implemented and submit 1 Employment Equity report to the Department of Labour by					report to DoL			
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					30 June 2017							30 June 2017							
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KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(q)	Improve administrative and financial capability.	Review & submit Workplace Skills Plan (WSP) and Annual Training Report (ATR) for 2017/18 financial year to the Municipal Manager by 31 March	Date of submission WSP and ATR Report for 2016/17 financial year to the Municipal Manager	2016/17 WSP, ATR & PIVOTAL reports	Review & submit Workplace Skills Plan (WSP) and Annual Training Report (ATR) for 2017/18 financial year to the	N/A		N/A		Review & submit Workplace Skills Plan (WSP), Annual Training Report (ATR) Repo	1	N/A		Achieved		100% compliance with WSP	100%		Target not set

KPA 1: Municipal Transformation and Institutional Development																				
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18			
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
		2017	ger		Municipal Manager by 31 March 2017					rt for 2017 /18 financial year to the Municipal Manager by 31 March 2017										
1.1(r)	Improve administrative and financial capability.	Review & submit 12 WSP monthly monitoring and implementation reports to	Number of WSP monthly monitoring and implementation	WSP monthly monitoring and implementation	Review & submit 12 WSP monthly monitoring and implementation	Review & submit 3 WSP monthly monitoring	0	Review & submit 3 WSP monthly monitoring	0	Review & submit 3 WSP monthly monitoring	0	Review & submit 3 WSP monthly monitoring	0	Not Achieved		100% compliance with legislation	100%		Target not set	

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		the Municipal Manager within 5 days after the end of each month during 2016/17 financial year	mentation reports reviewed & submitted to Municipal Manager within 5 days after the end of each month during	reports submitted to LGSET A in 2014/15 financial year	reports to the Municipal Manager within 5 days after the end of each month during 2016/17 financial year	g and implementation reports to Municipal Manager within 5 days after the end of each month during this Q.		g and implementation reports to Municipal Manager within 5 days after the end of each month during this Q.		g and implementation reports to Municipal Manager within 5 days after the end of each month during this Q.		g and implementation reports to Municipal Manager within 5 days after the end of each month during this Q.							

KPA 1: Municipal Transformation and Institutional Development																				
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18			
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
			g 2016/17 financial year																	
1.1(s)	Improve administrative and financial capability.	Development and monthly maintenance of a monthly Legal Administration schedule	The number of monthly maintenance reports regarding the updates completed on the	2015/16 Legal Administration schedule	12 Monthly reports on the maintenance of the Legal Administration schedule by 30 June 2017.	3 Monthly reports on the maintenance of the Legal Administration schedule by 30	0	3 Monthly reports on the maintenance of the Legal Administration schedule by 31	0	3 Monthly reports on the maintenance of the Legal Administration schedule by 31	1	3 Monthly reports on the maintenance of the Legal Administration schedule by 30	1	Partially Achieved		High court, Magistrate Courts, Arbitrations as well as Labour Court matters are speedily finalized in a less	0	Finalising & dealing with all litigations against the municipality matters amicably	Target not set	

KPA 1: Municipal Transformation and Institutional Development																				
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18			
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
			Legal Administration schedule by 30 June 2017.			September 2016		December 2016		March 2017		June 2017				costly manner. Also dealing with settlements outside Court to save costs				
1.1(t)	Improve administrative and financial capability.	Develop and effectively implement a Records Management policy by 30 June 2017.	The number of Records Management policies developed	N/A	1 Records Management policies developed and effectively implemented by 30	Compile a Records Management policy by 30 Septemb	0	EXCO to review and approve the draft Records Man	0	Council to review and adopt the Records Management	0	Effective implementation of the Records Management	0	Not Achieved		Adherence to the policy Computerized filing system	0	Improved registry	Target not set	

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets											2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			and effectively implemented by 30 June 2017.		June 2017.	er 2016		agement policy by 31 December 2016		policy by 31 March 2017		policy by 30 June 2017							
1.1(u)	Improve administrative and financial capability.	Ensure effective record keeping of all mails and correspondence received and distributed by 30 June 2017.	The number monthly register updates of all mails and correspondence received	2015/16 Record Management report	12 Monthly register updates for all mails and correspondence received and distributed by 30 June 2017.	3 Monthly register updates for all mails and correspondence received	0	3 Monthly register updates for all mails and correspondence received	0	3 Monthly register updates for all mails and correspondence received	0	3 Monthly register updates for all mails and correspondence received	0	Not Achieved	Improved registry	Adherence to the policy Computerized filing system	0	Improved registry	0

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			ed and distributed by 30 June 2017.			ved and distributed by 30 September 2016 .		ved and distributed by 31 December 2016 .		ved and distributed by 31 March 2017 .		ved and distributed by 30 June 2017 .							
1.1(v)	Improve administrative and financial capability.	Ensure a secure ICT environment to guarantee functionality and availability to users throughout the 2016/17 financial year.	The number of Qly reports on the activities that were completed to	2015/16 Qly IT reports	4 Qly reports on the activities completed to ensure a secure ICT environment by 30 June 2017.	1 Qly reports on the activities completed to ensure a secure ICT	0	1 Qly reports on the activities completed to ensure a secure ICT	0	1 Qly reports on the activities completed to ensure a secure ICT	1	1 Qly reports on the activities completed to ensure a secure ICT	1	Partially Achieved		Rending of secure IT environment	1	Functioning ICT Centre	Completion of the IT Master Plan 100%

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
			ensure functionality and availability to users throughout the 2016/17 financial year.			environment by 30 September 2016		environment by 31 December 2016		environment by 31 March 2017		environment by 30 June 2017							
1.1(w)	Improve administrative and financial capability.	Develop and implement a comprehensive security plan for	The number of security plans developed	2015/16 Security plan	Develop and implement a comprehensive security plan for	Develop a comprehensive security	0	33% implementation of the security	0	66% implementation of the security	0	100% implementation of the security	0	Not Achieved		Implement and adhere to the security plan	100%		Target not set

KPA 1: Municipal Transformation and Institutional Development

Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
		the institution by 30 June 2017.	and the implementation progress of the security plan by 30 June 2017.		the institution by 30 June 2017.	plan for the institution by 30 September 2016 .		plan by 31 December 2016 .		plan by 31 March 2017 .		plan by 30 June 2017 .				Control access in all premises of NLM			

KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(t)	Improving access to basic services	Repairs, renovation and cleaning of municipal buildings to ensure that employees, customers and visitors are safe in municipal buildings.	Progress made of the repairs, renovation and cleaning of municipal buildings against the Maintenance Plan by 30 June 2017.	2015/16 Maintenance Plan	Implementation of the 2016/17 Maintenance plan by 30 June 2017	25% implementation of the 2016/17 Maintenance by 30 September 2016	0	50% implementation of the 2016/17 Maintenance by 31 December 2016	0	75% implementation of the 2016/17 Maintenance by 31 March 2017	0	100% implementation of the 2016/17 Maintenance by 30 June 2017	0	Not Achieved	Buildings repainted Walls are refurbished Fencing of main office	100%	Renovated and safe offices	Office repairs and maintenance	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain Management Policy, Supply Chain Management	2015/16 Annual Financial Statements disclosure and the Auditor - General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality	0	Not Achieved		Sec 71 reports submitted to Council. Credible AFS	100%		Target not set

		ment Regulations, 2005 and the MFMA by 30 June 2017	Regulations, 2005 and the MFMA by 30 June 2017	y's Supply Chain Management Policy	y's Supply Chain Management Policy		y's Supply Chain Management Policy		y's Supply Chain Management Policy		y's Supply Chain Management Policy							
				, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	, Supply Chain Management Regulations, 2005 and the MFMA by 30 September 2016		, Supply Chain Management Regulations, 2005 and the MFMA by 31 December 2016		, Supply Chain Management Regulations, 2005 and the MFMA by 31 March 2017		, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017							

KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(k)	Ensure Good Governance practices to ensure effective, functioning municipal	Execute risk preventive actions for the threats and enhance management plan and submit 4 Qly reports in relation thereto by 30	Number of risks mitigated / prevented against the number of risks assigned as per the plan and number of Qly reports submitted in relation thereto by 30 June 2017.	N/A	Execute risk preventive actions for the threats and enhance management actions assigned as per the risk	Execute risk preventive actions for the threats and enhance management actions assigned as per the risk	0	Execute risk preventive actions for the threats and enhance management actions assigned as per the risk	0	Execute risk preventive actions for the threats and enhance management actions assigned as per the risk	0	Execute risk preventive actions for the threats and enhance management actions assigned as per the risk	0	Not Achieved		Target not set			Target not set

	ty	June 2017.			man age ment plan and sub mit 4 Qly repo rts in relati on there to by 30 June 2017 .	man age ment plan and subm it 1 Qly repo rt in relati on there to by 30 Sept emb er 2016 .		man age ment plan and subm it 1 Qly repo rt in relati on there to by 31 Dece mber 2016 .		man age ment plan and subm it 1 Qly repo rt in relati on there to by 31 Marc h 2017 .		man age ment plan and subm it 1 Qly repo rt in relati on there to by 30 June 2017 .							
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.2(d)	Ensure regular engagements with communities	Ensure that council items and agendas delivered to the councillors 7 days before the date of Council meetings.	The number of days before the scheduled council meeting that the council items were delivered to councillors.	Approved schedule of meetings for Council and Systems Act Section 80 Committees	Delivery all council items and agendas to councillors 7 days before the date of the council meeting.	Deliver y all council items and agendas to councillors 7 days before the date of the council meeting by 30 September 2016.		Deliver y all council items and agendas to councillors 7 days before the date of the council meeting by 31 December 2016.		Deliv ery all council items and agen das to coun cillors 7 days befor e the date of the council meeting by 31 March 2017.		Deliv ery all council items and agen das to coun cillors 7 days befor e the date of the council meeting by 30 June 2017.							
5.2(e)	Ensure that	Ensure that	The number	Approved	Delivery all	Deliver y all		Deliver y all		Deliv ery		Deliv ery all							

e)	regul ar engag emen ts with com munit ies	the System s Act Section 80 items and agenda s are deliver ed to councill ors 7 days before the date of the Commi ttee meetin g.	of days before the schedule d council committ ee meetings that the council items were delivered to councillo rs.	schedul e of meetin gs for Council and System s Act Section 80 Commi ttees	council committ ee items and agenda s to councillo rs 7 days before the date of the council committ ee meeting.	council commit tee items and agenda s to councill ors 7 days before the date of the council commit tee meetin g by 30 Septem ber 2016.		council commit tee items and agenda s to councill ors 7 days before the date of the council commit tee meetin g by 31 Decem ber 2016.		all council com mitte e items and agen das to councill ors 7 days before the date of the council com mitte e meeti ng 31 -03- 2017.		counc il com mitte e items and agen das to councill ors 7 days befor e the date of the council com mitte e meeti ng 30 June 2017.							
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VOTE / PROGRAMME 4: COMMUNITY SERVICES

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators														Annual Performance Targets				2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(c)	Improve administrative and financial capability.	100% of Post Audit Action Plan matters for 2015/16 relating to Corporate Services , predetermned objectives and other matters addressed by 30 June	% of Post Audit Action Plan matters for 2014/15 relating to Corporate Services , predetermned objectives and other matters addressed by 30 June	2015/16 Audit Action Plan.	100% of Post Audit Action Plan matters for 2014 /15 relating to Corporate Services, predetermned objec	100% of Post Audit Action Plan matters for 2014 /15 relating to Corporate Services, predetermned objec	0	100% of Post Audit Action Plan matters for 2014 /15 relating to Corporate Services, predetermned objec	0	100% of Post Audit Action Plan matters for 2014 /15 relating to Corporate Services, predetermned objec	0	100% of Post Audit Action Plan matters for 2014 /15 relating to Corporate Services, predetermned objec	0	Not Achieved		Contribute towards clean audit	100%		Target not set

		2017	2017		tives and other matters addressed by 30 June 2017	tives and other matters addressed by 30 September 2016		tives and other matters addressed by 31 December 2016		tives and other matters addressed by 31 March 2017		tives and other matters addressed by 30 June 2017							
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KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(d)	Improve administrative and financial capability.	Convene 12 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Number of monthly departmental meetings convened by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Monthly departmental meetings held in 2014/15	Convene 12 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Convene 3 monthly departmental meetings by 30 September 2016 for continuous strategic alignment of departmental plans and goals	0	Convene 3 monthly departmental meetings by 31 December 2016 for continuous strategic alignment of departmental plans and goals	0	Convene 3 monthly departmental meetings by 31 March 2017 for continuous strategic alignment of departmental plans and goals	0	Convene 3 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	0	Not Achieved		Target not set		Target not set	

								ntal plans and goals		ntal plans and goals		plans and goals							
1.1(x)	Improve administrative and financial capability.	Prepare and submit the departmental annual leave plan for 2016/17 to Human Resource Management unit by 30 September 2016	Date of submission of departmental annual leave plan to Human Resource Management unit.	N/A	Prepare and submit the departmental annual leave plan for 2016/17 to Human Resource Management unit by 30 September 2016	Prepare and submit the departmental annual leave plan for 2016/17 to Human Resource Management unit by 30 September 2016	0	N/A		N/A		N/A		Not Achieved		Target not set		Target not set	

KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators															Annual Performance Targets			2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(u)	Improving access to basic services	Fencing and Construction Guardhouse in Vredefort Sports Facility by 31 December 2017.	The number of Sports Facility fenced and Guardhouse constructed in Vredefort by 31 December 2017.	Existing sport facilities in Vredefort	Fencing and Construction Guardhouse in Vredefort Sports Facility by 31 December 2017.	Vredefort: Complete fencing and construction of the Guardhouse by 31 December 2016.	0	Vredefort: Complete fencing and construction of the Guardhouse by 31 December 2016.	0	.N/A		N/A		Not Achieved		Target not set		Renovate Heilbron satellite fire station	Renovate Heilbron satellite fire station

2.1(v)	Improving access to basic services	Distribution of 5000 refuse bins to the 5 municipalities by 30 June 2017	The number of refuse bins distributed to the 5 municipal towns by 30 June 2017.	1500 refuse bins distributed in 2015/16.	Purchase and distribute 5000 refuse bins to the 5 municipal towns by 30 June 2017.	Complete the purchase requisition documents for 500 refuse bins by 30 September 2016.	0	Complete the procurement process of 500 refuse bins by 31 December 2016.	0	Delivery of 5000 refuse bins to the municipality by 31 March 2017.	0	Distribution of 5000 refuse bins to the 5 municipal towns by 30 June 2017.	0	Not Achieved		Target not set		Purchase 1000 refuse bins	Increase number of households with access to refuse removal by 1000
2.1(w)		Purchase 1 new Compactor refuse removal truck by 30 June 2017	Number of Compactor truck purchased by 30 June 2017.	N/A	To purchase 1 new Compactor refuse removal truck by 30 June	Complete the purchase requisition documents for the 1 new Compactor refuse removal truck by	0	Complete the procurement process of the 1 new Compactor refuse removal truck	0	Appointment of provider to provide the 1 new Compactor refuse removal truck by 31	0	Delivery of 1 Compactor refuse removal truck to the municipali	0	Not Achieved		Target not set			Target not set

					2017	30 September 2016.		by 31 December 2016.		March 2017.		ty by 30 June 2017							
KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(x)	Improving access to basic services	Procure 1 Fire & Rescue engine by 30 June 2017.	The number of Fire and Rescue Engine purchased 30 June 2017.	N/A	To purchase 1 Fire and Rescue Engine by 30 June 2017	Complete the purchase requisition documents for the 1 Fire & Rescue engine by 30 Sept	0	Complete the procurement process of the 1 Fire & Rescue engine by 31 December	0	Appointment of provider to provide the 1 Fire & Rescue engine by 31 March	0	Delivery of 1 Fire & Rescue engine to the municipality by 30 June 2017	0	Not Achieved		Target not set		Target not set	

						ember 2016		2016		2017									
2.1(y)	Improving access to basic services	Train 10 Fire Officers in First Aid by 30 June 2017.	The number of Fire Officers trained in First Aid by 30 June 2017.	10 Fire Officers were trained on Fire 1 and 2 in 2015/16,	To train 10 Fire Officers on First Aid by 30 June 2017	Submit the procurement documentation for the training to SCM in order to start the procurement process by 30 September 2016	0	Procurement process to be completed and First Aid training service provider to be appointed by 31 December 2016	0	N/A		Complete training 10 Fire Officers on First Aid by 30 June 2017	0	Not Achieved		10 Fire officer trained	0	Target not set	

KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(z)	Improving access to basic services	Procurement of firefighting equipment by 30 June 2017.	Number of Fire and Rescue Engine bought	N/A	To purchase 1 Fire and Rescue Engine by 30 June 2017	Complete the purchase requisition documents for the firefighting equipment by 30 September 2016	0	Complete the procurement process of the firefighting equipment by 31 December 2016	0	Appointm ent of provider to provide the firefighting equipment by 31 March 2017 .	0	Delivery of firefighting equipment to the municipality by 30 June 2017	0	Not Achieved		Target not set			Target not set
2.2(Ensure develo	Establish 1	The numbe	N/A	Establish 1	N/A		N/A		N/A		Establish	0	Not Achieved		Target not set			Target not set

b)	development of a policy framework for the release of public assets for the purposes of low and affordable housing.	Municipal Planning Tribunal (MPT) by 30 June 2017	number of MPTs established by 30 June 2017.		Municipal Planning Tribunal (MPT) by 30 June 2017							Municipal Planning Tribunal (MPT) by 30 June 2017							
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KPA 3: Local Economic Development																			
Performance Objectives And Indicators															Annual Performance Targets			2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
3.1(c)	Stimulate local economic growth	2 organised group of Women and 2 group of disabled person's empowerment programmes held by 30 June 2017.	Number of organised groups of Women and the number of groups of disabled person's empowerment programmes held by 30 June 2017.	N/A	2 organised group of Women and 2 group of disabled person's empowerment programmes held by 30 June 2017.	1 group of Disabled persons empowerment programme held by 30 September 2016	0	1 organised group of Women empowerment programme held by 31 March 2017	0	1 group of Disabled persons empowerment programme held by 30 September 2016	1	1 organised group of Women empowerment programme held by 31 March 2017	0	Not Achieved		Target not set			Target not set
3.1(d)	Stimulate	Support at least two (2)	Number of agro-	Crop Farming	Support at least	1 Qly meeting with	0	1 Qly meeting	0	1 Qly meeting	0	1 Qly meeting with	0	Not Achieved		Target not set			Target not set

	local economic growth	agro-processing initiatives / projects by 30 June 2017	processing initiatives / projects by 30 June 2017	Projects Koppies and Edenville.	two (2) agro-processing initiatives / projects by 30 June 2017	the Department of Rural Development & Land Reform, Department of Agriculture to discuss and monitor the crop farming projects by 30 September 2016.		with the Department of Rural Development & Land Reform, Department of Agriculture to discuss and monitor the crop farming projects by 31 December 2016.		with the Department of Rural Development & Land Reform, Department of Agriculture to discuss and monitor the crop farming projects by 31 March 2017.		the Department of Rural Development & Land Reform, Department of Agriculture to discuss and monitor the crop farming projects by 30 June 2017.							
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KPA 3: Local Economic Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved/Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
3.1(e)	Stimulate local economic growth	Monitor 5 SMMEs and 2 groups of informal business within the district as part of entrepreneurial support by 30 June 2017	Number of dedicated training interventions for SMMEs and number of groups of informal business within the district as part	Number of entrepreneurial training interventions provided in 2015/16	Monitor 5 SMMEs and 2 groups of informal business within the district as part of entrepreneurial support by 30 June 2017	2 SMMEs within the district monitored as part of entrepreneurial support by 30 September 2016	0	1 SMM E and 1 group of informal business within the district monitored as part of entrepreneurial	0	1 SMM E within the district monitored as part of entrepreneurial support by 31 March 2017	1	1 SMME and 1 group of informal business within the district monitored as part of entrepreneurial support by 30 June 2017	1	Partially Achieved		Organise coaching and mentoring for SMME on how to make business sustainable	100%	Provide Support to 10 Cooperatives and SMMEs and facilitate 4 workshops on commongage	4 Workshops

			of entrep reneur ial suppor t by 30 June 2017					l supp ort by 31 Dece mber 2016											
3. 1(f)	Sti mul ate loc al eco no mic gro wth	Assist 3 B&B establis hments in the district with gradin g, and provisio n of promoti onal material by 30 June 2017	Numb er of B&B establis hmen ts in the district assiste d with gradin g, and provisi on of promo tional materi al by 30 June 2017	N/A	Assist 3 B&B establis hmen ts in the district with gradin g, and provisi on of promo tional materi al by 30 June 2017	N/A		N/A		N/A		Assist 3 B&B establis hmen ts in the district with gradin g, and provisi on of promo tional materi al by 30 June 2017	0	Not Achieve d		Target not set			Target not set

KPA 3: Local Economic Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieve /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
3.1(g)	Stimulate local economic growth	2 Customer Care training provided to SMMEs within the district by 30 June 2017	Number of Customer Care training provided to SMMEs in the district by 30 June 2017	N/A	1 Customer Care training provided to SMMEs within the district by 30 June 2017	N/A	0	1 Customer Care training provided to SMMEs within the district by 31 December 2016	0	N/A	0	1 Customer Care training provided to SMMEs within the district by 30 June 2017	0	Not Achieved		Target not set		Provide support to 10 Cooperatives and facilitate 4 workshops.	Target not set
3.1(h)	Stimulate local economic growth	2 Cooperatives supplied with identified	Number of cooperatives supplied	N/A	2 Cooperatives supplied with	N/A		1 Cooperative supplied with	0	N/A		1 Cooperative supplied with	0	Not Achieved		Organise coaching and mentoring for	Ongoing	Provide support to 10 Cooperatives	4 Workshops

	no mic gro wth	d tools/eq uipment by 30 June 2017.	with identifi ed tools/ equip ment by 30 June 2017.		identi fied tools/ equip ment by 30 June 2017.			identi fied tools/ equip ment by 31 Decem ber 2016.				identi fied tools/ equip ment by 30 June 2017.					SMME on how to make business sustaina ble		and facilita te 4 works hops	
3. 1(i)	Sti mul ate loc al eco no mic gro wth	4 Tourism awaren ess campaig ns conduct ed by 30 June 2017.	Numb er of touris m aware ness campa igns condu cted by 30 June 2017.	N/A	4 Touris m aware ness campa igns condu cted by 30 June 2017.	1 Touris m aware ness campa ign condu cted for Koppie s by 30 Septe mber 2016	0	1 Touris m aware ness campa ign condu cted for Heilbr on and Edenvi lle by 31 Decem ber 2016	0	1 Touris m awar enes s campa ign condu cted for Vred efort by 31 Marc h 2017	0	1 Touris m aware ness campa ign condu cted for Parys by 30 June 2017	0	Not Achie ved		Launchi ng of Tourism Forum in Septem ber	100%		Target not set	

KPA 3: Local Economic Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
3.1(j)	Stimulate local economic growth	Participate in at least 1 local tourism conferences by 30 June 2017	Number of local tourism conferences participated in by 30 June 2017	N/A	Participate in at least 1 local tourism conferences by 30 June 2017	N/A		N/A		N/A		Participate in at least 1 local tourism conferences by 30 June 2017	1	Achieved		Target not set			Target not set
3.1(k)	Stimulate local economic growth	Organise 2 capacity training for emerging farmers by 30 June	Number of capacity training for emerging farmers that	N/A	Organise 2 capacity training for emerging farmers by 30	N/A		Organise 1 capacity training for emerging farmers by 31	1	N/A		Organise 1 capacity training for emerging farmers by 30	1	Achieved		Organise training on commonage by-laws, operation of auction	5	Give guidance and skills training to emerging farmers,	5 workshops per town

		2017.	were held by 30 June 2017.		June 2017.			December 2016.				June 2017.				pan and crop farming		Cooperatives and SMMEs which will lead to more job creation and job opportunities	
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KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators															2015/16		2017/18		
Annual Performance Targets																			
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's	2015 /16 Annual Financial Statement disclosures and the Auditor-General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Not Achieved		Contribute towards clean audit			Target not set

		Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 September 2016		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 December 2016		compliance to the municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31/3/2016		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 June 2016							
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(k)	Ensure Good Governance practices to ensure effective, functioning municipalities	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and submit 4 Qly reports in relation thereto	Number of risks mitigated / prevented against the number of risks assigned as per the plan and number of Qly reports	N/A	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and	0	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and	0	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and	0	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and	0	Not Achieved		Target not set			Target not set

	pali ty	by 30 June 2017.	submit ted in relatio n theret o by 30 June 2017.		submit 4 Qly report s in relatio n theret o by 30 June 2017.	submit 1 Qly report in relatio n theret o by 30 Septe mber 2016.		submit 1 Qly report in relatio n theret o by 31 Decem ber 2016.		risk man age ment plan and subm it 1 Qly repo rt in relati on there to by 31 Marc h 2016 .		submit 1 Qly report in relatio n theret o by 31 june 2016.								
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VOTE / PROGRAMME 5: TECHNICAL SERVICES

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators															2015/16		2017/18		
Annual Performance Targets																			
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(c)	Improve administrative and financial capability.	100% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other matters addressed by 30	% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other	2015/16 Audit Action Plan.	100% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other	100% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other	0	100% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other	0	100% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other	0	100% of Post Audit Action Plan matters for 2015/16 relating to Technical Services, predetermined objectives and other	0	Not Achieved	To implement or respond to all issues from the auditors	100%			Target not set

		June 2017	matters addressed by 30 June 2017		matters addressed by 30 June 2017	matters addressed by 30 September 2016		matters addressed by 31 December 2016		objectives and other matters addressed by 31 March 2016		matters addressed by 31 June 2016							
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KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(d)	Improve administrative and financial capability.	Convene 12 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Number of monthly departmental meetings convened by 30 June 2017 for continuous strategic alignment of departmental plans	Monthly departmental meetings held in 2014/15	Convene 12 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	Convene 3 monthly departmental meetings by 30 September 2016 for continuous strategic alignment of departmental plans and	0	Convene 3 monthly departmental meetings by 31 December 2016 for continuous strategic alignment of departmental plans and	0	Convene 3 monthly departmental meetings by 31 March 2017 for continuous strategic alignment of departmental plans and goals	0	Convene 3 monthly departmental meetings by 30 June 2017 for continuous strategic alignment of departmental plans and goals	0	Not Achieved		Target not set			Target not set

			and goals			goals		goals											
1.1(1e)	Improve administrative and financial capability.	Conduct Qly OHS awareness and training sessions to ensure adequate OHS awareness through out the year.	Number of Qly OHS awareness sessions held by 30 June 2017.	2015 /16 OHS awareness sessions held.	4 Qly OHS awareness sessions held by 30 June 2017.	1 Qly OHS awareness sessions held by 30 September 2016.	0	1 Qly OHS awareness sessions held by 30 December 2016.	0	1 Qly OHS awareness sessions held by 31 March 2017.	0	1 Qly OHS awareness sessions held by 30 June 2017.	0	Not Achieved		Target not set			Target not set

KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(a)	Improving access to basic services	Heilbronn/Phiriona: Installation of 511 residential meters and 45 bulk water meters	Number of residential and bulk water meters installed by 30 September 2016,	Technical Services Qly miles tone progress reports and Project stage reports	Installation of 511 residential meters and 45 bulk water meters	Installation of 511 residential meters and 45 bulk water meters by 30 September 2016.	1	N/A		N/A		N/A		Achieved		Provide 511 households with water meters and installation of 45 bulk in business sites			Target not set
2.1(b)	Improving access to	Heilbronn: Installation of 6 high mast	Number of high mast lights install	Technical Services Qly miles	Installation of 6 high mast lights	Erecting of 6 high mast by 30 Septe	1	Installation of 6 high mast lights		N/A		N/A		Achieved		Refurbishment of electrical Network		Upgrading Bulk Supply Phase 2	100%

	basic services	lights	ed in Heilbronn by 30 October 2016.	tone progress reports and Project stage reports	by 30 October 2016	mber 2016		by 30 October 2016											
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(c)	Improving access to basic services	Koppies: Installation of 5 high mast lights	Number of high mast lights installed in Koppies by 30 October 2016.	Technical Services Qly miles tone progress reports and Project stage reports	Installation of 5 high mast lights by 30 October 2016	Erecting of 5 high mast by 30 September 2016	1	Installation of 5 high mast lights by 30 October 2016	1	N/A		N/A		Achieved		Refurbishment of electrical Network Koppies Kwakwatsi	100%	Upgrading Bulk Supply Phase 2	100%
2.1(d)	Improving access to	Parys: Installation of 10 high mast lights	Number of high mast lights install	Technical Services Qly miles	Installation of 10 high mast lights	Erecting of 10 high mast by 30 September	1	Installation of 10 high mast lights	1	N/A		N/A		Achieved		Refurbishment of electrical Network		Upgrading of electrical Network	100%

	basic services		ed in Parys by 30 October 2016.	tone progress reports and Project stage reports	by 30 October 2016	mber 2016		by 30 October 2016											
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(e)	Improving access to basic services	Vredefort: Installation of 14 high mast lights	Number of high mast lights installed in Vredefort by 30 October 2016.	Technical Services Qly miles tone progress reports and Project stage reports	Installation of 14 high mast lights by 30 October 2016	Erecting of 14 high mast by 30 September 2016	1	Installation of 14 high mast lights by 30 October 2016	1	N/A		N/A		Achieved		Refurbishment of electrical Network		Upgrading of electrical Network	100%
2.1(f)	Improving access	Edenville: Installation of 8 high	Number of high mast lights	Technical Services Qly	Installation of 8 high mast	Erecting of 8 high mast by 30	1	Installation of 8 high mast	1	N/A		N/A		Achieved		Refurbishment of electrical		Upgrading of electrical Netwo	100%

	to bas ic ser vic es	mast lights	install ed in Edenvi lle by 30 Octob er 2016.	miles tone progr ess repo rts and Proje ct stage repo rts	lights by 30 Octob er 2016	Septe mber 2016		lights by 30 Octob er 2016									Network		rk	
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(g)	Improving access to basic services	Mokwall o: Construction of sports complex	The number of sport complex constructed by 30 January 2017.	Technical Services Qly miles tone progress reports and Project stage reports	Erecting of the new fence, removal of old fence around the sport complex and the completion of the foundation of the ablution facilities by 30	Erecting of the new fence around the sports complex and the completion of the foundation of the ablution facilities by 30	0	Erecting of the super structure and interior finished and services of the ablution facilities by 31 December 2016.	0	Complete construction of the sport complex project.	1	N/A		Partially Achieved		Length Regravelled	1	Mokwall o: Construction of sports complex (MIS:2 26058)	20%

					January 2017.	September 2016.													
2.1(h)	Improving access to basic services	Heilbronn/Phirito Paving of internal roads 1km	The number of kms internal road paved	Technical Services Qly miles tone progress reports and Project stage reports	Completed paving of 1km internal roads at Heilbronn / Phirito na by 30 January 2017.	2 sub base layers completed of the 1km internal road by 30 September 2016.	0	The 900m of caps and paving work to be completed by 31 December 2016.	0	1km paving of internal road completed by 31 January 2017.	1	N/A		Partially Achieved				Target not set	Target not set

KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(i)	Improving access to basic services	Koppies/Kwakwatsi: Construction of 3.5km storm water channel	Number of km of storm water channel constructed by 30 August 2016.	Technical Services Qly milestones progress reports and Project stage reports	Complete construction of 3.5km storm water channel by 30 August 2016.	Complete construction of 3.5km storm water channel by 30 August 2016.	1	N/A	1	N/A	1	N/A		Achieved		Target not set			Target not set
2.1(j)	Improving access	Construction of a solid waste disposal	Progress made on the projec	Technical Services Qly	Completion of phase 1 of	Complete project specific	0	Erecting of fence to be compl	0	Completion of the cut-off bearm	1	Clearing of the sight	1	Partially Achieved		Target not set		To Secure, Safe and Better	33% Completion

	to basic services	site in Parys	t by 30 June 2017.	miles tone progress reports and Project stage reports	the project by 30 June 2017.	c specification and put project out on tender by 30 September 2016.		eted by the appointed contractor by 31 December 2016.		by 31 March 2017.		and completion of phase 1 of the project by 30 June 2017.						Waste Management	
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets											2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(k)	Improving access to basic services	Vredefort Water Treatment Works - Trident System	Progress made on the project by 30 June 2017.	Technical Services Qly miles tone progress reports and Project stage reports	Delivery and assembly of the Trident tanks by 30 June 2017.	The project must be registered and approved by the relevant Sector Departments by 30 September 2016,	0	Design phase of project to be completed and project must go out on tender by 31 December 2016.	0	Service provider for project must be appointed and required material procured by 31 March 2017.	0	Delivery and assembly of the Trident tanks by 30 June 2017.	1	Partially Achieved		Target not set		Vredefort Water Treatment Works - Trident System	5%
2.1(l)	Improving	Koppies Compact Water	Progress made	Technical Servi	The project must	N/A		The project must	0	Project design phase to	Clarifier Probl	The project must	0	Not Achieved		Target not		Feasibility Study,	100% Completion

	access to basic services	Treatment Works	on the project by 30 June 2017.	ces Qly miles tone progress reports and Project stage reports	be out on tender by 30 June 2017.			be registered and approved by the relevant Sector Departments by 31 December 2016.		be completed by 31 March 2017.	em was Completed by DWS under Rand Water;	be out on tender by 30 June 2017.				set		Environmental Assessment and design - Koppies Edenville Bulk Pipeline	Phase 1
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets											2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(m)	Improving access to basic services	Parys: Erection of fencing at reservoir 1 and 2	Length of fencing erected at reservoir 1 and 2 in Parys by 30 June 2017.	Technical Services Qly miles tone progress reports and Project stage reports	Fencing around Parys reservoir 1 and 2 erected by 30 June 2017.	Procure material for reservoir 1 fencing by 30 September 2016.	0	Erecting of fence to be completed for Parys reservoir 1 by 31 December 2016.	0	Procure material for reservoir 2 fencing by 31 March 2017.	1	Fencing around Parys reservoir 2 to be completed by 30 June 2017.	1	Partially Achieved		Complete construction within 12 Months			Target not set
2.1(n)	Improving access	Repair and refurbishment of high	The number of town where	Technical Services Qly	Repair and refurbishment of	Repair and refurbishment of	0	Repair and refurbishment of	0	Repair and refurbishment of	1	Repair and refurbishment of	1	Partially Achieved		Refurbishment of elect		Upgrading Bulk Supply	100%

	to basic services	mast and street lights for the 5 town in the Ngwath e municipality by 30 June 2017.	repairs and refurbishment of high mast and street lights have been done by 30 June 2017.	milestone progress reports and Project stage reports	high mast and street lights for the 5 town in the Ngwath e municipality by 30 June 2017.	high mast and street lights for Parys by 30 September 2016.		high mast and street lights for Vredefort by 31 December 2016.		mast and street lights for Heilbron by 31 March 2017.		high mast and street lights for Koppies and Edenville by 30 June 2017.					rical Network			
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets											2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(o)	Improving access to basic services	Vredefort: Internal Road in to be paved for 1km by 30 June 2017.	The number of kms internal road paved	Technical Services Qly miles tone progress reports and Project stage reports	Completed paving of 1km internal roads at Heilbron / Phirita by 30 January 2017.	Registration with the Sector Departments, design approval and project must go out on tender by 30 September 2016.	1	Project service provider to be appointed and construction have started by 31 December 2016.	1	The 500m of caps and paving work to be completed by 31 March 2017.	1	1km paving of internal road completed by 30 June 2017.	1	Achieved		Length Regravell ed		Paving of Internal road in Mokwallo	66.6% Completion
2.1(p)	Improving	Edenville Borehol	The number of	Technical Servi	Equipping 13 boreh	Equipping 4 boreh	0	Equipping 4 boreh	0	Equipping 4 borehol	0	Equipping 5 boreh	0	Not Achieved		Target not		Target not set	

	access to basic services	es project: Equipping 13 boreholes by 30 June 2017	boreholes equipped by 30 June 2017.	ces Qly milestones progress reports and Project stage reports	oles in the Edenville town by 30 June 2017	oles in the Edenville town by 30 September 2016.		oles in the Edenville town by 31 December 2016.		es in the Edenville town by 31 March 2017.		oles in the Edenville town by 30 June 2017					set			
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KPA 2: Basic Service Delivery and Infrastructure Investment																			
Performance Objectives And Indicators					Annual Performance Targets											2015/16		2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(q)	Improving access to basic services	Construction of the water pipeline to Parys reservoir nr 1 by 31 December 2016.	The length of the water pipeline laid to Parys reservoir nr 1 by 31 December 2016.	Technical Services Qly miles tone progress reports and Project stage reports	Construction of the 1km water pipeline to Parys reservoir nr 1 by 31 December 2016.	Manufacturing and procurement of material for the water pipeline to Parys reservoir nr1 by 30 September 2016.	1	Complete construction of the 1km water pipeline to Parys reservoir nr 1 by 31 December 2016.	1	N/A		N/A		Achieved		Target not set		Target not set	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators															2015/16		2017/18		
Annual Performance Targets																			
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's	2015/16 Annual Financial Statements disclosures and the Auditor-General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipi	0	Not Achieved		Target not set		Target not set	

		Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 September 2016		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 December 2016		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 March 2016		ality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 June 2016							
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators															Annual Performance Targets		2015/16	2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(k)	Ensure Good Governance practices to ensure effective, functioning municipal	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and submit 4 Qly reports in relation	Number of risks mitigated / prevented against the number of risks assigned as per the plan and number of Qly report	N/A	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan	0	Not Achieved		Target not set		Target not set	

	nici pali ty	thereto by 30 June 2017.	s submit ted in relatio n theret o by 30 June 2017.		and submit 4 Qly report s in relatio n theret o by 30 June 2017.	and submit 1 Qly report in relatio n theret o by 30 Septe mber 2016.		and submit 1 Qly report in relatio n theret o by 31 Decem ber 2016		and submit 1 Qly report in relatio n theret o by 31 March 2017.		and submit 1 Qly report in relatio n theret o by 30 June 2017.							
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VOTE / PROGRAMME 6: OFFICE OF THE MAYOR

KPA 1: Municipal Transformation and Institutional Development																				
Performance Objectives And Indicators															Annual Performance Targets				2015/16	2017/18
For the Period 1 July 2016 – 30 June 2017																				
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target	
1.1(c)	Improve administrative and financial capability.	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 30 June 2017	% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 30 June 2017	2015/16 Audit Action Plan.	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 30 June 2017	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 30 September 2016	0	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 31 December 2016	0	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 31 March 2017	0	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 30 June 2017	0	Not Achieved		Target not set		Target not set		

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
2.1(r)	Improving access to basic services	1 Annual HIV/AIDS campaign aimed at creating HIV/AIDS awareness by 31 March 2017.	Number of Annual HIV/AIDS festival report by 31 March 2017.	2015/16 Annual HIV/AIDS campaign report	1 Annual HIV/AIDS campaign aimed at creating HIV/AIDS awareness by 31 March 2017.	N/A		N/A		1 Annual HIV/AIDS campaign aimed at creating HIV/AIDS awareness by 31 March 2017.	1	1 Annual HIV/AIDS campaign report produced by 30 April 2017.	1	Achieved				Reduced HIV and AIDS cases	To increase the Momentum of the National HIV and AIDS Campaigns
2.1(s)	Improving access to	4 HIV/AIDS awareness campaign	Number of HIV/AIDS awareness	4 HIV/AIDS awareness	4 HIV/AIDS awareness campaign	1 HIV/AIDS awareness campaign		1 HIV/AIDS awareness campaign		1 HIV/AIDS awareness campaign		1 HIV/AIDS awareness campaign						Reduced HIV and AIDS cases	To increase the Momentum of the

basic services	ns in the municipal cluster targeting youth, men, women schools, Correctional Centres and private sector institutions held by 30 June 2017	campaigns in the municipality targeting youth, men, women schools, Correctional Centres and private sector institutions held by 30 June 2017	campaigns held in 2015/16 financial year	igns in the municipality targeting youth, men, women schools, Correctional Centres and private sector institutions held by 30 June 2017	igns in the municipality targeting youth, men, women schools, Correctional Centres and private sector institutions held by 30 September 2016		igns in the municipality targeting youth, men, women schools, Correctional Centres and private sector institutions held by 31 December 2016		igns in the municipality targeting youth, men, women schools, Correctional Centres and private sector institutions held by 31 March 2016		igns in the municipality targeting youth, men, women schools, Correctional Centres and private sector institutions held by 31 June 2016								National HIV and AIDS Campaigns
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KPA 3: Local Economic Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
3.1(c)	Stimulate local economic growth	2 organised group of Women and 2 group of disabled persons empowerment programmes held by 30 June 2017.	Number of organised groups of Women and the number of disabled persons empowerment programmes held by 30/06/17	N/A	2 organised group of Women and 2 group of disabled persons empowerment programmes held by 30 June 2017.	1 group of Disabled persons empowerment programme held by 30 September 2016	0	1 organised group of Women empowerment programme held by 31 March 2017	0	1 group of Disabled persons empowerment programme held by 30 September 2016	0	1 organised group of Women empowerment programme held by 31 March 2017		Not Achieved					Target not set

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators															2015/16		2017/18		
Annual Performance Targets																			
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality'	2015 /16 Annual Financial Statements disclosures and the Auditor-General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Not Achieved					Target not set

		Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	s Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 September 2016		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 December 2016		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 March 2016		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 June 2016							
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators															Annual Performance Targets		2015/16	2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(d)	Ensure Good Governance practices to ensure effective, functioning municipality	1 Signed Performance Agreements & Plans for the Municipal Manager for 2016/17 financial year concluded by 31 July 2016.	Number of signed Performance Agreements & Plans for the Municipal Manager for 2016/17 financial year concluded by 31 July 2016.	Performance plans and agreements for the MM for 2015/16	1 Signed Performance Agreements & Plans for the Municipal Manager for 2016/17 financial year concluded by 31 July 2016.	1	1	N/A		N/A		N/A		Achieved				Monitoring & reporting of performance information	4

5.1(k)	Ensure Good Governance practices to ensure effective, functioning municipality	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 4 Qly reports in relation thereto by 30 June 2017.	Number of risks mitigated / prevented against the number of risks assigned as per the plan and number of Qly reports submitted in relation thereto by 30 June 2017.	N/A	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 4 Qly reports in relation thereto by 30 June 2017.	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 1 Qly report in relation thereto by 30/9/16.	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 1 Qly report in relation thereto by 31/12/16.	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 1 Qly report in relation thereto by 31 December 2016.	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and submit 1 Qly report in relation thereto by 31 December 2016.	0	Not Achieved						Target not set
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.2(e)	Ensure regular engagements with communities	Conduct Qly youth council meetings to deal with youth development challenges and activities by 30 June 2017.	Number of Qly youth council meetings held to deal with youth development challenges and activities by 30/6/17.	2015/16 Youth Council meetings.	4 Qly youth council meetings held to deal with youth development challenges and activities by 30 June 2017.	1 Qly youth council meetings held to deal with youth development challenges and activities by 30 September 2016.	0	1 Qly youth council meetings held to deal with youth development challenges and activities by 31 December 2016.	0	1 Qly youth council meetings held to deal with youth development challenges and activities by 31 March 2017.	1	1 Qly youth council meetings held to deal with youth development challenges and activities by 30 June 2017.	0	Partially Achieved				Empowered and Politically and Socially Maturated Youth	Target not set

VOTE / PROGRAMME 7: OFFICE OF THE SPEAKER

KPA 1: Municipal Transformation and Institutional Development																			
Performance Objectives And Indicators															Annual Performance Targets		2015/16	2017/18	
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
1.1(c)	Improve administrative and financial capability.	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters addressed by 30 June 2017	% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters	2015/16 Audit Action Plan.	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters	0	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters	0	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters	0	100% of Post Audit Action Plan matters for 2015/16 relating to leadership, predetermined objectives and other matters	0	Not Achieved		Target not set		Target not set	

			addressed by 30 June 2017		addressed by 30 June 2017	addressed by 30 September 2016		addressed by 31 December 2016		addressed by 31 March 2017		addressed by 30 June 2017							
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KPA 3: Local Economic Development																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
3.1(a)	Stimulate local economic growth	Identify the need for 4 intervention programmes according to the Speaker's discretion and assist with funds as required.	The number of intervention programmes identified according to the Speaker's discretion and assist with funds.	2015/16 Speaker Intervention Programmes.	To identify 4 intervention programmes according to the Speaker's discretion and assist with funds as required.	Identify 1 intervention programmes according to the Speaker's discretion and assist with funds as required by 30 September 2016.	0	Identify 1 intervention programmes according to the Speaker's discretion and assist with funds as required by 31 December 2016.	0	Identify 1 intervention programmes according to the Speaker's discretion and assist with funds as required by 31 March 2016.	0	Identify 1 intervention programmes according to the Speaker's discretion and assist with funds as required by 31 June 2016.	0	Not Achieved		Target not set		Target not set	

KPA 4: Financial Management & Viability																			
Performance Objectives And Indicators															2015/16		2017/18		
Annual Performance Targets																			
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
4.1(s)	Ensure sound financial management	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply	Amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality'	2015 /16 Annual Financial Statements disclosures and the Auditor-General's Report	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the	0	Not Achieved		Target not set		Target not set	

		Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	s Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2017	municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 September 2016		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 December 2016		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 March 2016		municipality's Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 31 June 2016							
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(k)	Ensure Good Governance practices to ensure effective, functioning municipalities	Execute risk preventive actions for the threats and enhance actions assigned as per the risk management plan and submit 4 Qly reports in relation thereto	Number of risks mitigated / prevented against the number of risks assigned as per the plan and number of Qly reports	N/A	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and	0	Execute risk preventive actions for the threats and enhancement actions assigned as per the risk management plan and		Not Achieved		Target not set		Target not set	

	pali ty	by 30 June 2017.	submit ted in relatio n theret o by 30 June 2017.		submit 4 Qly report s in relatio n theret o by 30 June 2017.	submit 1 Qly report in relatio n theret o by 30 Septe mber 2016.		submit 1 Qly report in relatio n theret o by 31 Decem ber 2016.		submit 1 Qly report in relatio n theret o by 31 March 2016.		submit 1 Qly report in relatio n theret o by 31 June 2016.								
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KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.1(l)	Ensure Good Governance practices to ensure effective, functioning municipalities	4 workshops & training and 4 Speaker's Imbizos held with a view of capacity building by 30 June 2017.	The number of workshops & training and the number of Speaker's Imbizos held with a view of capacity building by 30 June	2015/16 Speaker Imbizo	4 Workshops & training and 4 Speaker's Imbizos held with a view of capacity building by 30 June 2017.	1 workshop & training and 1 Speaker's Imbizo held with a view of capacity building by 30 September 2016.	1	1 workshop & training and 1 Speaker's Imbizo held with a view of capacity building by 31 December 2016.	1	1 workshop & training and 1 Speaker's Imbizo held with a view of capacity building by 31 March 2017.	1	1 workshop & training and 1 Speaker's Imbizo held with a view of capacity building by 30 June 2017.	1	Achieved				Capacitated Councilors, Ward Committees, and CDW's	4

	pality		2017.																	
5.1(m)	Ensure Good Governance practices to ensure effective, functioning municipality	Conduct 4 Qly ward committee capacity building sessions by 30 June 2017.	The number of Qly ward committee capacity building sessions held by 30 June 2017.	2015/16 Ward committees Capacity Building sessions.	4 Qly ward committee capacity building sessions held by 30 June 2017.	1 Qly ward committee capacity building sessions held by 30 September 2016.	1	1 Qly ward committee capacity building sessions held by 31 December 2016.		1 Qly ward committee capacity building sessions held by 31 March 2017.		1 Qly ward committee capacity building sessions held by 30 June 2017.							Capacitated Councilors, Ward Committees, and CDW's	4

KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.2(a)	Ensure regular engagement with communities	Organise 1 Casual Day celebration with different stakeholders of the community by 31 October 2016.	The number of Casual days celebrations held by 31 October 2016.	N/A	Organise 1 Casual Day celebration with different stakeholders of the community by 31 October 2016.	N/A		1 Casual Day celebration to be held with different stakeholders of the community by 31 October 2016.	0		N/A		N/A	Not Achieved					
5.2(b)	Ensure regular	Launch awards impact program	The number of Qly	N/A	4 Qly reward cerem	1 Qly rewards cerem	0	1 Qly rewards cerem	0	1 Qly rewards cerem	0	1 Qly rewards cerem	0	Not Achieved					Target not set

	engage ments with commu- nities	me with Qly reward ceremo- nies for wards which perform above average by 30 June 2017.	rewards for wards that perfor- med above averag- e.		onies for wards that perfor- med above averag- e.	ony for wards that perfor- med above averag- e by 30 Septem- ber 2016.		ony for wards that perfor- med above averag- e by 31 Decem- ber 2016.		ony for wards that perfor- med above averag- e by 31 March 2017.		ony for wards that perfor- med above averag- e by 31 June 2017.								

KPA 5: Good Governance & Public Participation																			
Performance Objectives And Indicators					Annual Performance Targets										2015/16		2017/18		
For the Period 1 July 2016 – 30 June 2017																			
Objective ID	Strategic Objectives	Key Performance Indicator	Unit of measure	Baseline	Annual Target	Q 1	Q 1 Actual	Q 2	Q 2 Actual	Q 3	Q 3 Actual	Q 4	Q 4 Actual	Target Achieved /Not Achieved	Performance Feedback	Annual Target	Actual	Object	Target
5.2(c)	Ensure regular engagements with the community	Conduct Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges	The number of Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges held by 30 June	2015/16 Public meetings that were held.	4 Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges	1 Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges	0	1 Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges	0	1 Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges	1	1 Qly public participation meetings with the focus to identify community challenges and to give feedback on these challenges	1	Partially Achieved				Effective public participation, credible budget & IDP Processes	3 Public Meeting per Q

		nges by 30 June 2017.	2017.		held by 30 June 2017.	held by 30 Septem ber 2016.		held by 31 Decem ber 2016.		held by 31 March 2016.		held by 31 June 2016.							
5. 2(d)	Ens ure reg ular eng age me nts wit h com mu niti es	Organi se 1 annual Amon Nteo games that create s an enviro nment where sport can be used as a facilita tor of achiev ement by 30 April 2017.	The number of annual Amon Nteo games that creates an environ ment where sport can be used as a facilitat or of achieve ment by 30 April 2017.	2015 /16 annu al Amon Nteo gam es	1 Annual Amon Nteo games held that create s an enviro nment where sport can be used as a facilita tor of achiev ement by 30 April 2017.	N/A		N/A		N/A		1 Annual Amon Nteo games held that create s an enviro nment where sport can be used as a facilita tor of achiev ement by 30 April 2017.	1	Achieve d				Target not set	

CHAPTER 5: FINANCIAL PERFORMANCE
AUDITED ANNUAL FINANCIAL STATEMENTS



Ngwathe Local Municipality
Annual Financial Statements
for the year ended 30 June 2017

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

General Information

Legal form of entity

Category C municipality in terms of Section 1 of Local Government's Municipal Structures Act, 1998 (Act 117 of 1998) read with Section 15 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)

Nature of business and principal activities

The main business operations of the municipality is to engage in localgovernance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Waste Management Services (the collection, disposal and purifying of waste, refuse and sewerage); Electricity Services (electricity is bought in bulk from Eskom and distributed to the consumers by the municipality); Water Services (supplying water to the public); and Rates and general services (all types of services rendered by the municipality, excluding the supply housing to the community, however including the rental of units owned by the municipality to public and staff).

Mayoral committee

Executive Mayor

Councillors

Mochela J
Mopedi N (Speaker)
Mbele M (Exco member)
Mmusi M (Exco member)
Mofokeng M (Exco member)
Mofokeng M (Exco member)
Ndayi R (Exco member)
Serathi K (Exco member)
Sotshiva L (Exco member)
De Beer V
De Jager S
Ferendale R
Fieland H
Gobidolo M
Kgantse R
La Cock P
Mabena J
Magashule M
Matroos AH
Mehlo R
Miyen M
Mofokeng M
Molaphene P
Motebele R
Mvulane S
Nteo S
Radebe S
Rapuleng ND
Schoonwinkel A
Sehume A
Serfontein C
Taje M
Toyi M
Thene B

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

General Information

	Van Der Merwe P Vermaak S
Grading of local authority	Category C
Capacity of local authority	Medium capacity
Municipal demarcation code	FS 203
Accounting Officer	Kannemeyer BW
Chief Finance Officer (CFO)	Samyala N
Registered office	12 Liebenbergs Trek Parys 9585
Business address	12 Liebenbergs Trek Parys 9585
Postal address	PO Box 359 Parys 9585
Bankers	ABSA
Attorneys	Utilise attorneys in Municipal areas (Detailed list available at Municipal offices)
Contact details	Chief Financial Officer - 056 816 2700 Municipal Manager - 056 816 2700

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Index

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

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Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 13
Accounting Policies	14 - 37
Notes to the Annual Financial Statements	38 - 89

Abbreviations

DBSA	Development Bank of South Africa
AGSA	Auditor-General of South Africa
GRAP	Generally Recognised Accounting Practice
INEG	Department of Mineral and Energy Grant
IPSAS	International Public Sector Accounting Standards
LGSETA	Local Government Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
SARS	South African Revenue Services
UIF	Unemployment Insurance Fund

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Responsibilities and Approval

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

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the government for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for auditing and reporting on the municipality's annual financial statements.

The annual financial statements set out on pages 5 to 89, which have been prepared on the going concern basis, were approved by the accounting officer on 12 October 2017 and were signed on its behalf by:

Accounting Officer
Mr. Kannemeyer BW

12 October 2017

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

	Note(s)	2017 R	2016 Restated* R
Assets			
Current Assets			
Inventories	3	645 673	456 101
Receivables from exchange transactions	4&6	68 897 896	46 385 682
Receivables from non exchange transactions	5&6	19 591 247	16 196 257
Sundry receivables	7	10 675 864	5 901 733
Cash and cash equivalents	8	3 780 791	8 443 765
VAT receivable	9	111 727 626	76 570 521
		215 319 097	153 954 059
Non-Current Assets			
Investment property	10	116 519 727	110 445 240
Property, plant and equipment	11	792 186 856	740 778 056
Intangible assets	12	4 797 258	1 321 200
Other financial assets	13	911 546	849 591
		914 415 387	853 394 087
Non-Current Assets		914 415 387	853 394 087
Current Assets		215 319 097	153 954 059
Total Assets		1 129 734 484	1 007 348 146
Liabilities			
Current Liabilities			
Other financial liabilities	14	734 332	2 181 704
Finance lease obligation	15	313 060	282 326
Payables from exchange transactions	16	1 028 292 373	707 607 258
Consumer deposits	17	5 249 695	5 367 740
Unspent conditional grants and receipts	18	112 814	508 115
Provisions	19	104 803 165	98 928 724
Employee benefit obligation	20	3 554 000	3 196 000
		1 143 059 439	818 071 867
Non-Current Liabilities			
Other financial liabilities	14	-	1 465 238
Finance lease obligation	15	42 418	353 745
Provisions	19	104 844 712	114 645 270
Employee benefit obligation	20	51 811 000	51 129 000
		156 698 130	167 593 253
Non-Current Liabilities		156 698 130	167 593 253
Current Liabilities		1 143 059 439	818 071 867
Total Liabilities		1 299 757 569	985 665 120
Assets		1 129 734 484	1 007 348 146
Liabilities		(1 299 757 569)	(985 665 120)
Net Assets		(170 023 085)	21 683 026
Accumulated deficit		(170 023 085)	21 683 026

* See Note 45 & 46

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

	Note(s)	2017 R	2016 Restated* R
Revenue			
Revenue from exchange transactions			
Service charges	22	261 919 438	241 164 419
Rental of facilities and equipment	23	1 451 563	1 008 756
Dividends received - trading		-	1 860
Other income	25	1 921 542	1 695 828
Interest received	26	45 119 389	35 863 894
Total revenue from exchange transactions		310 411 932	279 734 757
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	27	76 797 103	64 480 845
Fines, penalties and forfeits	28	1 338 911	762 625
Transfer revenue			
Government grants and subsidies	29	236 594 300	266 946 629
Total revenue from non-exchange transactions		314 730 314	332 190 099
		310 411 932	279 734 757
		314 730 314	332 190 099
Total revenue		625 142 246	611 924 856
Expenditure			
Employee related costs	30	(186 763 716)	(181 460 274)
Remuneration of councillors	31	(11 443 395)	(11 478 641)
Bad debts written off		(173 235 102)	(26 846 582)
Depreciation and amortisation	32	(66 234 822)	(62 790 113)
Finance costs	33	(106 579 869)	(79 518 333)
Debt Impairment	34	55 953 470	(91 211 379)
Repairs and maintenance	35	(25 643 238)	(10 048 009)
Bulk purchases	36	(212 136 461)	(181 519 870)
Contracted services	37	(1 919 505)	(1 360 105)
General expenses	38	(97 932 564)	(102 943 941)
Total expenditure		(825 935 202)	(749 177 247)
		-	-
Total revenue		625 142 246	611 924 856
Total expenditure		(825 935 202)	(749 177 247)
Operating deficit		(200 792 956)	(137 252 391)
Loss on disposal of assets and liabilities		(1 123 354)	-
Fair value adjustments	39	6 132 189	5 721 773
Actuarial gains/(losses)	20	4 048 845	(44 000)
Inventories surplus / (losses)		83 055	(100 962)
		9 140 735	5 576 811
Operating surplus/deficit		9 140 735	5 576 811
Deficit before taxation		(191 652 221)	(131 675 580)
Taxation		-	-
Deficit for the year		(191 652 221)	(131 675 580)

* See Note 45 & 46

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

	Accumulated deficit R	Total net assets R
Opening balance as previously reported	81 940 342	81 940 342
Adjustments		
Correction of errors - note 46 & 47	71 418 264	71 418 264
Balance at 01 July 2015 as restated*	153 358 606	153 358 606
Changes in net assets		
Deficit for the year	(131 675 580)	(131 675 580)
Total changes	(131 675 580)	(131 675 580)
Restated* Balance at 01 July 2016	21 683 026	21 683 026
Changes in net assets		
Other	(53 890)	(53 890)
Net income (losses) recognised directly in net assets	(53 890)	(53 890)
Deficit for the year	(191 652 221)	(191 652 221)
Total recognised income and expenses for the year	(191 706 111)	(191 706 111)
Total changes	(191 706 111)	(191 706 111)
Balance at 30 June 2017	(170 023 085)	(170 023 085)

* See Note 45 & 46

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

	Note(s)	2017 R	2016 Restated* R
Cash flows from operating activities			
Receipts			
Cash receipt from customers		228 082 687	260 881 203
Grants		236 198 999	267 378 565
Interest income		1 522 469	1 998 414
Dividends received		-	1 860
Other receipts		(62 115)	(743 943)
		<u>465 742 040</u>	<u>529 516 099</u>
Payments			
Employee costs		(185 673 585)	(211 672 792)
Suppliers		(202 440 099)	(225 610 666)
Finance costs		(2 695 104)	(3 674 846)
		<u>(390 808 788)</u>	<u>(440 958 304)</u>
Total receipts		465 742 040	529 516 099
Total payments		(390 808 788)	(440 958 304)
Net cash flows from operating activities	41	<u>74 933 252</u>	<u>88 557 795</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(69 265 448)	(77 811 491)
Purchase of other intangible assets	12	(3 935 160)	-
Additions to investments		(4 254)	615 485
		<u>(73 204 862)</u>	<u>(77 196 006)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(2 912 610)	(2 657 065)
Employee benefit obligation payment		(3 198 155)	(2 785 000)
Finance lease payments		(280 593)	(561 176)
		<u>(6 391 358)</u>	<u>(6 003 241)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(4 662 968)</u>	<u>5 358 548</u>
Cash and cash equivalents at the beginning of the year		8 443 765	3 085 217
Cash and cash equivalents at the end of the year	8	<u>3 780 797</u>	<u>8 443 765</u>

* See Note 45 & 46

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	271 344 279	49 491 333	320 835 612	261 919 438	(58 916 174)	55.1
Rental of facilities and equipment	3 500 000	1 079 402	4 579 402	1 451 563	(3 127 839)	55.2
Other income	10 873 192	(3 493 622)	7 379 570	1 921 542	(5 458 028)	55.3
Interest received	12 000 000	(6 000 000)	6 000 000	45 119 389	39 119 389	55.4
Total revenue from exchange transactions	297 717 471	41 077 113	338 794 584	310 411 932	(28 382 652)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	152 214 627	27 877 927	180 092 554	76 797 103	(103 295 451)	55.5
Fines, penalties and forfeits	1 200 500	(293 947)	906 553	1 338 911	432 358	55.6
Transfer revenue						
Government grants and subsidies	226 747 000	10 000 000	236 747 000	236 594 300	(152 700)	<10%
Total revenue from non-exchange transactions	380 162 127	37 583 980	417 746 107	314 730 314	(103 015 793)	
'Total revenue from exchange transactions'	297 717 471	41 077 113	338 794 584	310 411 932	(28 382 652)	
'Total revenue from non-exchange transactions'	380 162 127	37 583 980	417 746 107	314 730 314	(103 015 793)	
Total revenue	677 879 598	78 661 093	756 540 691	625 142 246	(131 398 445)	
Expenditure						
Employee related costs	(159 559 417)	(9 196 684)	(168 756 101)	(186 763 716)	(18 007 615)	55.7
Remuneration of councillors	(11 500 000)	773 474	(10 726 526)	(11 443 395)	(716 869)	<10%
Administration	-	-	-	(173 235 102)	(173 235 102)	
Depreciation and amortisation	(90 000 000)	28 000 000	(62 000 000)	(66 234 822)	(4 234 822)	55.8
Debt impairment	(86 512 123)	(33 000 000)	(119 512 123)	55 953 470	175 465 593	55.9
Finance costs	(72 000 000)	-	(72 000 000)	(106 579 869)	(34 579 869)	55.10
Repairs and maintenance	(12 000 000)	(720 239)	(12 720 239)	(25 643 238)	(12 922 999)	55.11
Bulk purchases	(204 667 107)	4 880 000	(199 787 107)	(212 136 461)	(12 349 354)	55.12
Contracted services	(26 045 000)	(9 347 698)	(35 392 698)	(1 919 505)	33 473 193	55.13
General expenses	(76 126 950)	(37 153 467)	(113 280 417)	(97 932 564)	15 347 853	55.14
Total expenditure	(738 410 597)	(55 764 614)	(794 175 211)	(825 935 202)	(31 759 991)	
	677 879 598	78 661 093	756 540 691	625 142 246	(131 398 445)	
	(738 410 597)	(55 764 614)	(794 175 211)	(825 935 202)	(31 759 991)	
Operating deficit	(60 530 999)	22 896 479	(37 634 520)	(200 792 956)	(163 158 436)	
Loss on disposal of assets and liabilities	-	-	-	(1 123 354)	(1 123 354)	55.18
Fair value adjustments	-	-	-	6 132 189	6 132 189	55.18
Actuarial gains	-	-	-	4 048 845	4 048 845	55.18
Inventories surplus	-	-	-	83 055	83 055	55.18

Ngwathe Local Municipality

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Statement of Comparison of Budget and Actual Amounts

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual R	Reference
	R	R	R	R	R	
	-	-	-	9 140 735	9 140 735	
	(60 530 999)	22 896 479	(37 634 520)	(200 792 956)	(163 158 436)	
	-	-	-	9 140 735	9 140 735	
Deficit for the year	(60 530 999)	22 896 479	(37 634 520)	(191 652 221)	(154 017 701)	

Ngwathe Local Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Position						
Assets						
Current Assets						
Inventories	-	-	-	645 673	645 673	55.18
Receivables from exchange transactions	-	-	-	68 897 896	68 897 896	55.15
Receivables from non exchange transactions	675 854 000	(613 272 063)	62 581 937	19 591 247	(42 990 690)	55.15
Sundry receivables	-	-	-	10 675 864	10 675 864	55.18
Cash and cash equivalents	205 255 000	(196 811 235)	8 443 765	3 780 791	(4 662 974)	55.16
VAT receivable	-	-	-	111 727 626	111 727 626	55.18
	881 109 000	(810 083 298)	71 025 702	215 319 097	144 293 395	
Non-Current Assets						
Investment property	152 718 000	(42 272 761)	110 445 239	116 519 727	6 074 488	< 10%
Property, plant and equipment	1 631 053 000	(895 268 645)	735 784 355	792 186 856	56 402 501	55.17
Intangible assets	-	1 321 200	1 321 200	4 797 258	3 476 058	55.19
Other financial assets	800 000	849 591	1 649 591	911 546	(738 045)	55.20
	1 784 571 000	(935 370 615)	849 200 385	914 415 387	65 215 002	
Non-Current Assets	881 109 000	(810 083 298)	71 025 702	215 319 097	144 293 395	
Current Assets	1 784 571 000	(935 370 615)	849 200 385	914 415 387	65 215 002	
Total Assets	2 665 680 000	(1 745 453 913)	920 226 087	1 129 734 484	209 508 397	
Liabilities						
Current Liabilities						
Other financial liabilities	2 200 000	(18 000)	2 182 000	734 332	(1 447 668)	55.21
Finance lease obligation	-	-	-	313 060	313 060	55.24
Payables from exchange transactions	580 000 000	131 250 579	711 250 579	1 028 292 373	317 041 794	55.22
Consumer deposits	-	5 368 000	5 368 000	5 249 695	(118 305)	< 10%
Unspent conditional grants and receipts	-	508 116	508 116	112 814	(395 302)	55.23
Provisions	-	98 929 000	98 929 000	104 803 165	5 874 165	55.24
Employee benefit obligation	-	-	-	3 554 000	3 554 000	55.25
	582 200 000	236 037 695	818 237 695	1 143 059 439	324 821 744	
Non-Current Liabilities						
Other financial liabilities	1 200 000	265 238	1 465 238	-	(1 465 238)	55.21
Finance lease obligation	-	353 745	353 745	42 418	(311 327)	55.24
Provisions	-	114 645 270	114 645 270	104 844 712	(9 800 558)	55.24
Employee benefit obligation	-	77 160 000	77 160 000	51 811 000	(25 349 000)	55.25
	1 200 000	192 424 253	193 624 253	156 698 130	(36 926 123)	
	582 200 000	236 037 695	818 237 695	1 143 059 439	324 821 744	
	1 200 000	192 424 253	193 624 253	156 698 130	(36 926 123)	
	-	-	-	-	-	
Total Liabilities	583 400 000	428 461 948	1 011 861 948	1 299 757 569	287 895 621	
Assets	2 665 680 000	(1 745 453 913)	920 226 087	1 129 734 484	209 508 397	

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Liabilities	(583 400 000)	(428 461 948)	(1 011 861 948)	(1 299 757 569)	(287 895 621)	
Net Assets	2 082 280 000	(2 173 915 861)	(91 635 861)	(170 023 085)	(78 387 224)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated deficit	2 082 280 000	(2 173 915 861)	(91 635 861)	(170 023 085)	(78 387 224)	

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	336 514 004	(94 454 983)	242 059 021	184 485 767	(57 573 254)	55.26
Grants	226 747 000	5 000 000	231 747 000	236 198 999	4 451 999	<10%
Interest income	5 000 000	2 500 000	7 500 000	45 119 389	37 619 389	55.27
Dividends received	8 000	(4 000)	4 000	-	(4 000)	55.28
Other receipts	15 264 000	(2 934 357)	12 329 643	(62 115)	(12 391 758)	55.29
	583 533 004	(89 893 340)	493 639 664	465 742 040	(27 897 624)	
Payments						
Suppliers and employee costs	(463 296 000)	22 330 122	(440 965 878)	(235 186 499)	205 779 379	55.30
Finance costs	(30 000 000)	-	(30 000 000)	(106 579 863)	(76 579 863)	55.30
	(493 296 000)	22 330 122	(470 965 878)	(341 766 362)	129 199 516	
Total receipts	583 533 004	(89 893 340)	493 639 664	465 742 040	(27 897 624)	
Total payments	(493 296 000)	22 330 122	(470 965 878)	(341 766 362)	129 199 516	
Net cash flows from operating activities	90 237 004	(67 563 218)	22 673 786	123 975 678	101 301 892	
Cash flows from investing activities						
Purchase of property, plant and equipment	(64 920 000)	5 000 000	(59 920 000)	(118 307 874)	(58 387 874)	55.31
Purchase of other intangible assets	-	-	-	(3 935 160)	(3 935 160)	55.18
Purchase of financial assets	-	-	-	(4 254)	(4 254)	55.18
Net cash flows from investing activities	(64 920 000)	5 000 000	(59 920 000)	(122 247 288)	(62 327 288)	
Cash flows from financing activities						
Repayment of other financial liabilities	(2 880 000)	-	(2 880 000)	(2 912 610)	(32 610)	<10%
Employee benefit obligations	-	-	-	(3 198 155)	(3 198 155)	55.18
Finance lease payments	-	-	-	(280 593)	(280 593)	55.18
Net cash flows from financing activities	(2 880 000)	-	(2 880 000)	(6 391 358)	(3 511 358)	
Net increase/(decrease) in cash and cash equivalents	22 437 004	(62 563 218)	(40 126 214)	(4 662 968)	35 463 246	
Cash and cash equivalents at the beginning of the year	5 000 000	3 443 765	8 443 765	8 443 765	-	
Cash and cash equivalents at the end of the year	27 437 004	(59 119 453)	(31 682 449)	3 780 797	35 463 246	
Reconciliation						

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

1.2 Significant judgements and sources of estimation uncertainty

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

Receivables

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

The impairment for receivables is calculated on a portfolio basis. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value at the end of each reporting period. A write down of inventory to the lower of cost or net realisable value is subsequently provided. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus or deficit.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of cash generating assets

The municipality reviews and tests the carrying value of cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the municipality. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

Post retirement benefits and other long-term benefits

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

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long-term benefit obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension or other long-term liability. Where there is no market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post retirement and other long-term obligations are based on current market conditions. Additional information is disclosed in Note 20.

Effective interest rate

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

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Allowance for impairment of financial assets

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 Investment property

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

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

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

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

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

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

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

Fair value

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

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

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

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

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

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 35).

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

The revaluation surplus in net assets related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual value. The depreciation charge for each period is recognised in surplus or deficit.

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

Item	Depreciation method	Average useful life
Airport	Straight line	15 to 20 years
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	5 to 10 years
Infrastructure	Straight line	3 to 100 years

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.4 Property, plant and equipment (continued)

IT equipment	Straight line	3 to 6 years
Land		Fair value model
Motor vehicles	Straight line	3 to 20 years
Office equipment	Straight line	3 to 6 years
Plant and machinery	Straight line	5 to 15 years

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

Assets of the municipality are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 35).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore certain items of property, plant and equipment. Such obligations are referred to as 'decommissioning, rehabilitation and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The related asset is measured using the cost model:

- subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of non-cash-generating assets.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

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Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are initially measured at cost.

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit.

The useful lives of items of intangible assets have been assessed as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	5 years
Servitudes		Indefinite

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of an intangible assets are included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

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Accounting Policies

1.7 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

Value in use

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

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1.7 Impairment of cash-generating assets (continued)

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.8 Impairment of non-cash-generating assets

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

Ngwathe Local Municipality

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Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset are determined on an "optimised" basis. The rationale is that the municipality will not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.8 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.9 Financial instruments

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

Classification

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

Class	Category
Shares	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Sundry receivables	Financial asset measured at amortised cost
Vat receivable	Financial asset measured at amortised cost

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

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

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Accounting Policies

1.9 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants will consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted when the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

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Accounting Policies

1.9 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

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

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

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

Financial liabilities

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

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

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

1.10 Statutory receivables

Identification

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

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Accounting Policies

1.10 Statutory receivables (continued)

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent;
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation;
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied); and
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

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Accounting Policies

1.10 Statutory receivables (continued)

- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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

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

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

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.13 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991.

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1.14 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

Sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Ngwathe Local Municipality

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Accounting Policies

1.14 Employee benefits (continued)

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

The municipality accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost;

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.14 Employee benefits (continued)

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The municipality has an obligation to provide other long-term service allowance benefits to all of its employees for every 5 years of completed services from 5 to 45 years.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method to determine the present value of the obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses, which shall all be recognised immediately;

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating loss.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 43.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

The related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.7 and 1.8.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.16 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus / deficit. Prior year adjustments, relating to income and expenditure, are credited / debited against accumulated surplus when retrospective adjustments are made.

1.17 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve.

On disposal, the net revaluation surplus is transferred to the accumulated surplus / deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.18 Revenue from exchange transactions

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

Measurement

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

Sale of goods

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

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest and dividends

Revenue arising from the use by others of municipal assets yielding interest and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Concessionary loans received

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

The portion of the loan that is repayable, along with any interest payments, are exchange transactions and are accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the statement of financial performance recognises revenue as and when it satisfies the conditions of the loan agreement.

1.20 Investment income

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

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.22 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

1.23 Grant in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase of sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

1.24 Comparative figures

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

1.25 Commitments

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

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.25 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.26 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2016 to 30/06/2017.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual Amounts.

1.30 Related parties

A related party is a person or an entity with the ability to control or jointly control the municipality, or exercise significant influence over the municipality, or vice versa, or an entity that is subject to common control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.30 Related parties (continued)

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.31 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);
and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

2017 R	2016 R
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 16 (as revised 2015) Investment Property

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- the encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements is now required.

The effective date of the amendment is for years beginning on or after 01 April 2016.

The municipality has adopted the amendment for the first time in the 2017 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

GRAP 17 (as revised 2015) Property, Plant and Equipment

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements are now required.

The effective date of the amendment is for years beginning on or after 01 April 2016.

The municipality has adopted the amendment for the first time in the 2017 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods:

GRAP 110: Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources.

It furthermore covers: definitions, recognition, measurement, depreciation, impairment, compensation for impairment, transfers, derecognition, disclosure, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets (GRAP 103). As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is not yet set by the Minister of Finance.

The municipality expects to adopt the interpretation for the first time when the Minister sets the effective date.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: to clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12).
- IPSASB amendments: to align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 16 (as amended 2016): Investment Property

Amendments to the Standard of GRAP on Investment Property resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IAS 40 on Investment Property (IAS 40) as a result of the IASB's amendments on Annual Improvements to IFRSs 2011 – 2013 Cycle issued in December 2013.

The most significant changes to the Standard are:

- General improvements: to clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- IASB amendments: to clarify the interrelationship between the Standards of GRAP on Transfer of Functions Between Entities Not Under Common Control and Investment Property when classifying investment property or owner-occupied property.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 17 (as amended 2016): Property, Plant and Equipment

Amendments to the Standard of GRAP on Property, Plant and Equipment resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: to clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: to clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of property, plant, and equipment is revalued; To clarify acceptable methods of depreciating assets; to align terminology in GRAP 17 with that in IPSAS 17. The term "specialist military equipment" in IPSAS 17 was replaced with the term "weapon systems" and provides a description of what it comprises in accordance with Government Finance Statistics terminology; and to define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 18 (as amended 2016): Segment Reporting

Amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 01 April 2018

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 21 (as amended 2016): Impairment of non-cash-generating assets

Amendments to the Standard of GRAP on Impairment of Non-cash Generating Assets resulted from changes made to IPSAS 21 on Impairment of Non-Cash-Generating Assets (IPSAS 21) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

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2. New standards and interpretations (continued)

- IPSASB amendments: to update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 26 (as amended 2016): Impairment of cash-generating assets

Amendments Changes to the Standard of GRAP on Impairment of Cash Generating Assets resulted from changes made to IPSAS 26 on Impairment of Cash-Generating Assets (IPSAS 26) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: to update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: to add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and to clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: to clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued; and to clarify acceptable methods of depreciating assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

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2. New standards and interpretations (continued)

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- close member of the family of a person;
- management;
- related parties;
- remuneration; and
- significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- control;
- related party transactions; and
- remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

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2. New standards and interpretations (continued)

It furthermore covers: definitions, identifying whether an entity is a principal or agent, accounting by a principal or agent, presentation, disclosure, transitional provisions and effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The effective date of the interpretation is not yet set by the Minister of Finance.

The municipality expects to adopt the interpretation for the first time when the Minister sets the effective date for the interpretation.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 18 Segment reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in the budget documentation will usually reflect the segments for which a municipality reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of a municipality that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by a municipality within a particular region.

This Standard has been approved by the Accounting Standards Board, but its effective date has not yet been determined by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods but are not relevant to its current operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 34: Separate Financial Statements	Effective date has not yet been determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 35: Consolidated Financial Statements	Effective date has not yet been determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 36: Investments in Associates and Joint Ventures	Effective date has not yet been determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 37: Joint Arrangements	Effective date has not yet been determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 38: Disclosure of Interests in Other Entities	Effective date has not yet been determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 27 (as amended 2016): Agriculture	1 April 2018	Unlikely there will be a material impact
GRAP 103 (as amended 2016): Heritage Assets	1 April 2018	Unlikely there will be a material impact
GRAP 106 (as amended 2016): Transfers of functions between entities not under common control	1 April 2018	Unlikely there will be a material impact

Ngwathe Local Municipality

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Notes to the Annual Financial Statements

	2017 R	2016 R
3. Inventories		
Water	155 864	147 716
Stores and material	489 809	308 385
	645 673	456 101
Stock surpluses / (losses) during the year	83 055	(100 651)
Inventories recognised as an expense during the year	772 985	521 959
Inventory pledged as security		
None of the inventory was pledged as security.		
4. Receivables from exchange transactions		
Consumer debtors - Electricity	27 559 730	25 854 235
Consumer debtors - Water	6 839 473	6 901 908
Consumer debtors - Sewerage	17 997 387	6 384 997
Consumer debtors - Refuse	8 212 571	5 076 166
Consumer debtors - Sundry receivables	8 288 735	2 168 376
	68 897 896	46 385 682
Trade and other receivables pledged as security		
None of the receivables were pledged as security for any financial liability.		
Credit quality of trade and other receivables		
The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.		
None of the financial assets that are fully performing have been renegotiated in the last year.		
Fair value of trade and other receivables		
The carrying value of the consumer receivables recorded at amortised cost approximate their fair value		
Trade and other receivables impaired		
As of 30 June 2017, trade and other receivables of R 419 606 948 (2016: R 486 758 096) were impaired and provided for.		
The amount of the provision was R 67 151 148 as of 30 June 2017 (2016: R (19 245 712)).		
The ageing of these receivables is as follows:		
0 - 30 days	52 291 988	28 425 739
31 - 60 days	16 477 293	16 412 530
61 - 90 days	13 527 049	15 009 944
91 - 120 days	13 181 366	18 008 736
120 - 360 days	103 772 026	138 677 463
Over 360 days	289 255 123	316 609 362

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
4. Receivables from exchange transactions (continued)		
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(486 758 096)	(467 712 384)
Provision for impairment	67 151 148	(19 045 712)
	(419 606 948)	(486 758 096)
5. Receivables from non-exchange transactions		
Property rates	19 591 247	16 196 257
Receivables from non-exchange transactions pledged as security		
None of the receivables were pledged as security for any financial liability.		
Credit quality of receivables from non exchange transactions		
The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.		
None of the financial assets that are fully performing have been renegotiated in the last year.		
Fair value of receivables from non exchange transactions		
The carrying value of the consumer receivables recorded at amortised cost approximate their fair values.		
Receivables from non-exchange transactions impaired		
As of 30 June 2017, other receivables from non-exchange transactions of R 85 219 889 (2016: R 79 686 380) were impaired and provided for.		
The amount of the provision was R 5 533 509 as of 30 June 2017 (2016: R 18 023 848).		
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(79 686 380)	(61 662 532)
Contribution to allowance	(5 533 509)	(18 023 848)
	(85 219 889)	(79 686 380)
6. Receivable from exchange and non exchange transactions disclosure		
Gross balances		
Consumer debtors - Rates	104 811 136	95 882 637
Consumer debtors - Electricity	98 805 580	116 182 293
Consumer debtors - Water	162 511 035	192 703 805
Consumer debtors - Sewerage	128 245 337	114 535 461
Consumer debtors - Refuse	83 923 962	99 023 709
Consumer debtors - Sundry receivables	15 018 930	10 698 508
	593 315 980	629 026 413

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Notes to the Annual Financial Statements

	2017 R	2016 R
6. Receivable from exchange and non exchange transactions disclosure (continued)		
Less: Allowance for impairment		
Consumer debtors - Rates	(85 219 889)	(79 686 380)
Consumer debtors - Electricity	(71 245 850)	(90 328 058)
Consumer debtors - Water	(155 671 562)	(185 801 897)
Consumer debtors - Sewerage	(110 247 950)	(108 150 464)
Consumer debtors - Refuse	(75 711 391)	(93 947 543)
Consumer debtors - Sundry receivables	(6 730 195)	(8 530 132)
	(504 826 837)	(566 444 474)
Net balance		
Consumer debtors - Rates	19 591 247	16 196 257
Consumer debtors - Electricity	27 559 730	25 854 235
Consumer debtors - Water	6 839 473	6 901 908
Consumer debtors - Sewerage	17 997 387	6 384 997
Consumer debtors - Refuse	8 212 571	5 076 166
Consumer debtors - Sundry receivables	8 288 735	2 168 376
	88 489 143	62 581 939
Rates		
Current (0 -30 days)	13 524 326	3 703 007
31 - 60 days	3 270 534	3 598 842
61 - 90 days	2 819 897	3 367 509
91 - 120 days	2 593 483	2 550 588
121 - 360 days	18 056 803	19 650 855
> 360 days	64 546 095	63 011 837
Less: impairment	(85 219 889)	(79 686 380)
	19 591 249	16 196 258
Electricity		
Current (0 -30 days)	14 640 653	10 237 141
31 - 60 days	3 651 408	3 940 074
61 - 90 days	2 835 995	3 794 041
91 - 120 days	3 079 570	5 686 137
121 - 360 days	26 780 466	39 114 234
> 360 days	47 817 488	53 410 666
Less: impairment	(71 245 850)	(90 328 058)
	27 559 730	25 854 235
Water		
Current (0 -30 days)	11 496 058	8 629 777
31 - 60 days	4 875 076	6 805 029
61 - 90 days	5 131 008	5 308 222
91 - 120 days	4 777 569	6 821 809
121 - 360 days	37 765 597	53 472 741
> 360 days	98 465 727	111 666 227
Less: impairment	(155 671 562)	(185 801 897)
	6 839 473	6 901 908

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Notes to the Annual Financial Statements

	2017 R	2016 R
6. Receivable from exchange and non exchange transactions disclosure (continued)		
Sewerage		
Current (0 -30 days)	15 143 518	3 882 175
31 - 60 days	2 868 577	3 068 728
61 - 90 days	2 939 949	3 488 853
91 - 120 days	2 816 172	2 928 993
121 - 360 days	20 724 466	23 904 480
> 360 days	83 752 655	77 262 232
Less: impairment	(110 247 950)	(108 150 464)
	17 997 387	6 384 997
Refuse		
Current (0 -30 days)	6 073 571	2 996 499
31 - 60 days	2 492 827	2 557 563
61 - 90 days	2 547 237	2 388 181
91 - 120 days	2 444 511	2 498 488
121 - 360 days	17 887 712	20 991 509
> 360 days	52 478 104	67 591 469
Less: impairment	(75 711 391)	(93 947 543)
	8 212 571	5 076 166
Sundry receivables		
Current (0 -30 days)	4 938 188	2 680 146
31 - 60 days	2 589 404	41 136
61 - 90 days	72 860	30 649
91 - 120 days	63 544	73 310
121 - 360 day	613 785	1 194 499
> 360 days	6 741 149	6 678 768
Less: impairment	(6 730 195)	(8 530 132)
	8 288 735	2 168 376
7. Sundry receivables		
R/D cheques control account	1 495 789	1 263 863
Under / (over) banking	117 206	101 792
Other sundry receivables	4 639 146	4 536 078
Retentions paid in advance	4 423 723	-
	10 675 864	5 901 733
None of the receivables are pledge as security		
Renegotiated terms:		
None of the receivables that have been fully performed have been renegotiated in the last year.		
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	1 565 370	1 333 268
Short-term deposits	2 169 970	7 065 774
Other cash and cash equivalents	45 451	44 723
	3 780 791	8 443 765

Ngwathe Local Municipality

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Notes to the Annual Financial Statements

	2017 R			2016 R		
8. Cash and cash equivalents (continued)						
The municipality had the following bank accounts						
Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA BANK - Cheque account - 405-2707-733	1 544 549	1 338 408	2 309 550	1 544 549	1 333 268	2 364 330
ABSA BANK - Call account - 925-3832-988	34 291	164 764	21 911	34 291	164 764	21 911
ABSA BANK - Call account - 925 - 3833 - 502	2 077 854	6 847 695	2 495	2 077 854	6 847 695	2 496
ABSA BANK - Call account - 9250 - 3833 - 764	12 800	12 171	10 000	12 800	12 171	10 000
ABSA BANK - Call account - 925 - 3835 - 643	8 182	1 648	1 569	8 182	1 648	1 569
ABSA BANK - Cheque account - 113 - 000 - 0041	45 451	(12 040)	652 993	45 451	44 723	652 993
ABSA BANK - Call account - 928 - 6271 - 086	22 162	25 571	2 539	22 162	25 571	2 539
ABSA BANK - Call account - 928 - 6271 - 167	14 681	13 925	29 379	14 681	13 925	29 379
Total	3 759 970	8 392 142	3 030 436	3 759 970	8 443 765	3 085 217

9. VAT receivable

VAT	111 727 626	76 570 521
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The municipality is registered for VAT on the payment basis.

10. Investment property

	Fair value	Fair value
Investment property	116 519 727	110 445 240

Reconciliation of investment property - 2017

	Opening balance	Fair value adjustments	Total
Investment property	110 445 240	6 074 487	116 519 727

Reconciliation of investment property - 2016

	Opening balance	Fair value adjustments	Total
Investment property	104 687 430	5 757 810	110 445 240

Pledged as security

Carrying value of assets pledged as security:

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Ngwathe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
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10. Investment property (continued)

Details of valuation

The effective date of the revaluations was 01 July 2017. Revaluations were performed by an independent valuer, Mr Pradeep Ramlall, of AB Projects. AB Projects are not connected to the municipality and have the relevant experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	1 252 115	766 066
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11. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	64 278 571	(28 568 254)	35 710 317	64 278 571	(25 711 429)	38 567 142
Furniture and fixtures	8 780 135	(7 700 409)	1 079 726	9 410 369	(8 034 687)	1 375 682
IT equipment	3 594 544	(2 320 940)	1 273 604	3 328 795	(2 739 150)	589 645
Infrastructure	1 331 655 493	(599 255 798)	732 399 695	1 216 734 353	(538 895 551)	677 838 802
Land	16 684 309	-	16 684 309	16 684 309	-	16 684 309
Motor vehicles	17 302 648	(13 773 329)	3 529 319	17 302 648	(12 620 588)	4 682 060
Office equipment	909 140	(657 592)	251 548	951 301	(693 185)	258 116
Plant and machinery	3 766 283	(2 507 945)	1 258 338	3 211 346	(2 429 046)	782 300
Total	1 446 971 123	(654 784 267)	792 186 856	1 331 901 692	(591 123 636)	740 778 056

Ngwathe Local Municipality

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11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Other	Depreciation	Total
Buildings	38 567 142	-	-	-	(2 856 825)	35 710 317
Furniture and fixtures	1 375 682	150 421	(54 485)	-	(391 892)	1 079 726
IT equipment	589 645	958 620	(16 857)	-	(257 804)	1 273 604
Infrastructure	677 838 802	115 908 334	(987 194)	467 393	(60 827 640)	732 399 695
Land	16 684 309	-	-	-	-	16 684 309
Motor vehicles	4 682 060	-	-	-	(1 152 741)	3 529 319
Office equipment	258 116	59 445	(7 773)	-	(58 240)	251 548
Plant and machinery	782 300	763 661	(57 045)	-	(230 578)	1 258 338
	740 778 056	117 840 481	(1 123 354)	467 393	(65 775 720)	792 186 856

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	WIP additions	Depreciation	Total
Buildings	41 423 969	-	-	(2 856 827)	38 567 142
Furniture and fixtures	1 622 813	128 875	-	(376 006)	1 375 682
IT equipment	260 835	434 963	-	(106 153)	589 645
Infrastructure	658 110 130	4 708 607	72 337 117	(57 317 052)	677 838 802
Land	16 684 309	-	-	-	16 684 309
Motor vehicles	6 563 462	-	-	(1 881 402)	4 682 060
Office equipment	318 440	-	-	(60 324)	258 116
Plant and machinery	772 720	201 929	-	(192 349)	782 300
	725 756 678	5 474 374	72 337 117	(62 790 113)	740 778 056

Pledged as security

None of the above property, plant and equipment have been pledged as security.

	2017 R	2016 R
11. Property, plant and equipment (continued)		
Assets subject to finance lease (net carrying amount)		
Motor vehicles	380 834	571 281
Reconciliation of Work-in-Progress 2017		
	Included within Infrastructure	Total
Opening balance	223 955 443	223 955 443
Reconciliation of Work-in-Progress 2016		
	Included within Infrastructure	Total
Opening balance	157 682 848	157 682 848
Additions/capital expenditure	72 337 117	72 337 117
Transferred to completed items	(6 064 522)	(6 064 522)
	223 955 443	223 955 443
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Buildings	920 068	845 184
Infrastructure	21 406 825	6 515 895
Vehicles	2 929 153	2 686 929
	25 256 046	10 048 008

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

12. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 935 160	(459 102)	3 476 058	-	-	-
Servitudes	1 321 200	-	1 321 200	1 321 200	-	1 321 200
Total	5 256 360	(459 102)	4 797 258	1 321 200	-	1 321 200

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software, other	-	3 935 160	(459 102)	3 476 058
Servitudes	1 321 200	-	-	1 321 200
	1 321 200	3 935 160	(459 102)	4 797 258

	2017 R	2016 R
12. Intangible assets (continued)		
Reconciliation of intangible assets - 2016		
	Opening balance	Total
Servitudes	1 321 200	1 321 200
Pledged as security		
None of the above intangible assets have been pledged as security.		
Details of valuation		
The effective date of the revaluations was 01 July 2014. Revaluations were performed by an independent valuer, Mr Arthur Lelosa of Manna Holdings. Manna Holdings are not connected to the municipality and have recent experience in location and category of the intangible assets being valued.		
The valuation was based on open market value for existing use.		
These assumptions are based on current market conditions.		
The carrying value of the valued assets could not be determined due to a lack of supporting documentation prior to 1 July 2007.		
13. Other financial assets		
Designated at fair value		
Sanlam shares 6 682 shares @ R 64.80 trading value (2016: R 60.36)	432 993	403 326
At amortised cost		
Heilbron Sanlam policy Policy number - 040571573X1	411 010	382 977
FNB deposit - 71037431386	17 743	16 689
Investment serves as guarantee for Saambou Bank and bears interest at 15%		
FNB Parys - 710381146801	49 800	46 599
Investment serves as guarantee for BJ Monyamara and bears interest at 5%		
	478 553	446 265
	432 993	403 326
	-	-
	478 553	446 265
Total other financial assets	911 546	849 591
Non-current assets		
Designated at fair value	432 993	403 326
At amortised cost	478 553	446 265
	911 546	849 591
Non-current assets	911 546	849 591
Current assets	-	-

	2017 R	2016 R
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13. Other financial assets (continued)

Financial assets at fair value

Fair value hierarchy of financial assets at fair value

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy have the following levels:

Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 applies inputs which are not based on observable market data.

Level 1

Class 2 - Listed shares	432 993	403 326
	432 993	403 326
	-	-
	-	-

Renegotiated terms

None of the financial assets that are fully performing have been renegotiated in the last year.

14. Other financial liabilities

At amortised cost

DBSA Loan	734 332	3 646 942
Loan bears interest at 10% annually and penalty interest of 12% annually. Repayments are done on a quarterly basis with last payment due on 30 June 2018.		
	-	-

Non-current liabilities

At amortised cost	-	1 465 238
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Current liabilities

At amortised cost	734 332	2 181 704
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	2017 R	2016 R
15. Finance lease obligation		
Minimum lease payments due		
- within one year	336 722	336 722
- in second to fifth year inclusive	42 938	379 661
	<u>379 660</u>	<u>716 383</u>
less: future finance charges	(24 182)	(80 312)
Present value of minimum lease payments	<u>355 478</u>	<u>636 071</u>
Present value of minimum lease payments due		
- within one year	313 061	280 592
- in second to fifth year inclusive	42 417	355 479
	<u>355 478</u>	<u>636 071</u>
Non-current liabilities	42 418	353 745
Current liabilities	313 060	282 326
	<u>355 478</u>	<u>636 071</u>

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

The average lease term is 5 years (2016: 5 years) and the average effective borrowing rate is 10% (2016: 10%).

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note .

16. Payables from exchange transactions

Trade payables	966 453 176	653 352 996
Payments received in advanced	22 915 306	26 758 130
Accrued leave pay	14 399 376	14 086 329
Accrued bonus	3 905 025	3 832 302
Deposits received	195 632	194 411
Other payables	310 478	46 130
Salary suspense account	9 478 988	3 125 386
Unallocated receipts	5 182	6 087
Retention	10 629 210	6 205 487
	<u>1 028 292 373</u>	<u>707 607 258</u>

17. Consumer deposits

Electricity and water - Edenville	73 714	70 881
Electricity and water - Heilbron	1 119 283	1 133 766
Electricity and water - Koppies	275 054	275 054
Electricity and water - Parys	3 308 882	3 404 521
Electricity and water - Tumahole	33 739	33 739
Electricity and water - Vredefort	439 023	449 779
	<u>5 249 695</u>	<u>5 367 740</u>

	2017 R	2016 R
18. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Department of Mineral and Energy Grant (INEG)	-	393 278
Department of Water and Forestry Grant	-	74 241
Provincial Treasury subsidy (electricity)	75 887	-
Municipal Infrastructure Grant (MIG)	288	16 618
Local Government Finance Management Grant (FMG)	11	13 695
Expanded Public Works Programme (EPWP)	36 628	-
Municipal Systems Improvement Grant (MSIG)	-	10 283
	112 814	508 115
Movement during the year		
Balance at the beginning of the year	508 115	76 179
Additions during the year	236 198 999	267 378 566
Income recognition during the year	(236 594 300)	(266 946 630)
	112 814	508 115

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited.

See note 29 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

19. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Unwinding of the discount	Total
Environmental rehabilitation	213 573 994	(3 926 117)	209 647 877

Reconciliation of provisions - 2016

	Opening Balance	Additions	Total
Environmental rehabilitation	191 279 221	22 294 773	213 573 994
Non-current liabilities	104 844 712		114 645 270
Current liabilities	104 803 165		98 928 724
	209 647 877		213 573 994

2017
R2016
R**19. Provisions (continued)****Environmental rehabilitation provision**

The purpose of this provision is to determine the closure costs for the waste disposal sites in the Ngwathe Municipal area. The sites under consideration are the Edenville, Heilbron, Koppies, Parys and Vredefort disposal sites.

South African solid waste legislation has been going through a thorough metamorphosis during the past few years and continues to do so, affecting all aspects of solid waste management through this process. Almost all aspects of the waste life cycle have been addressed and, more to the point of this report, the issue of landfill designs. New base liner designs for different landfill classes have been detailed, however, no new landfill capping designs for rehabilitation have been detailed since the Minimum Requirements (2nd Edition, 1998) issued by the Department of Water Affairs and Forestry (DWAF) at the time. There were however recent suggestions by the Department of Water and Sanitation (DWS) in a Record of Decision issued to D:EA for the licence applications for the closure of 192 landfill facilities under the National Outcome 10 Project.

However, the Minimum Requirements was used in the past as guideline for the design of the capping layers as well as the capacity of the storm water drainage system and to subsequently calculate rehabilitation cost estimates, which was industry standard. The closure and rehabilitation of a landfill involves firstly the application for a closure licence during which a Basic Assessment and specialist studies are conducted specific to the landfill in question. From this application, it becomes clear as to the specific requirements to properly rehabilitate the landfill and render it environmentally suitable to its proposed enduse. If a landfill was issued with an operating permit/licence, a closure design would have been proposed before the issuing of the permit, only now requiring modification (if necessary) rather than a new design.

However, with most landfills being unlicensed/unpermitted, no designs have been done or approved. Historically, a rehabilitation engineering design which included the proposed capping layers was then presented to DWA (now DWS) for approval. After obtaining approval, the landfill was rehabilitated according to the approved design. No closure licences which stipulate capping designs have been issued to date for the Ngwathe Municipality. The closure cost estimates of this provision have therefore been based on the proposed requirements for capping layers by DWS which are similar to stipulated requirements in recently issued closure licences in other Municipalities.

Disposal site 2016	Opening balance	Movement	Closing balance
Edenville	14 648 564	154 353	14 802 917
Heilbron	57 444 808	(161 420)	57 283 388
Koppies	5 439 603	14 749 452	20 189 055
Parys	91 513 490	2 942 725	94 456 215
Vredefort	22 232 756	4 609 663	26 842 419
	191 279 221	22 294 773	213 573 994

Disposal site 2017	Opening balance	Discounting	Movement due to changes in the net discount rate	Closing balance
Edenville	14 802 917	-	837 875	15 640 792
Heilbron	57 283 388	-	3 487 140	60 770 528
Koppies	20 189 055	(320 512)	(354 449)	19 514 094
Parys	94 456 215	(2 348 642)	(6 776 954)	85 330 619
Vredefort	26 842 419	-	1 549 425	28 391 844
	213 573 994	(2 669 154)	(1 256 963)	209 647 877

2017
R

2016
R

20. Employee benefit obligations

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

Carrying value

Present value of the post employment medical aid benefit	(42 613 000)	(40 236 000)
Present value of the long service award benefit	(12 752 000)	(14 089 000)
	(55 365 000)	(54 325 000)
Non-current liabilities	(51 811 000)	(51 129 000)
Current liabilities	(3 554 000)	(3 196 000)
	(55 365 000)	(54 325 000)

Net expense recognised in the statement of financial performance

Current service cost	3 125 000	3 066 000
Interest cost	5 162 000	4 643 000
Actuarial (gains) losses	(4 236 000)	44 000
	4 051 000	7 753 000

Post-employment medical aid benefit

The Municipality offers employees and continuation members (pensioners) the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical aid scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical aid scheme.

The Municipality has agreed to subsidise the medical aid contributions of retired members in the following way:

(a) All existing continuation members (pensioners) and their dependants will continue to receive a 60% subsidy to the aximum (CAP) amount of R3,942.00 (per month per member) for the period 1 July 2017 to 30 June 2018. The maximum (CAP) amount was R3 871 for the period 1 July 2016 to 30 June 2017.

(b) Any future pensioners and their dependants will continue to receive a 60% subsidy subject to the maximum (CAP) amount of R 3,942 (per month per member) for the period from 1 July 2017 to 30 June 2018.

Changes in the present value of the post-employment medical aid benefit

Opening balance	40 236 000	36 470 000
Benefits paid	(2 018 155)	(1 583 000)
Net expenses recognised in the statement of financial performance	4 395 155	5 349 000
	42 613 000	40 236 000

Net expense of the post-employment medical aid benefit recognised in the statement of financial performance

Current service cost	1 504 000	1 396 000
Interest cost	3 982 000	3 611 000
Actuarial (gain)/loss	(1 090 845)	342 000
	4 395 155	5 349 000

	2017 R	2016 R
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20. Employee benefit obligations (continued)

Key assumptions

Medical aid contribution inflation	CPI+1%	8.64%
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Discount rate:

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yield at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficient long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve".

We used the nominal and real zero curves as at 30 June 2017 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, we use the prevailing yield at the time of performing our calculations. We have changed this methodology from a point estimate in order to present a more accurate depiction of the liability. For example a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities.

Medical aid inflation:

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would out-strip general inflation by 1% per annum over the foreseeable future.

Mortality rates:

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

Spouse and dependants:

We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

The assumption was made that continuation of post-employment health care subsidy would be at 100% of active employees, or their surviving dependants.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effects on the post-employment medical aid benefit obligations	43 831 000	40 963 000
Effects on interest cost	4 460 000	4 161 000
Effects on service cost	1 865 000	1 731 000

Long service award

2017
R2016
R**20. Employee benefit obligations (continued)**

The municipality offers long service awards for every 5 years of completed service from 5 to 45 years to their employees.

The following table illustrates the qualifying criteria:

Completed service (years)	Long service bonus award	Determination of cash bonus
5	5 days accumulative leave + 2% of annual salary	$(5/250 + 2/100) \times$ annual salary
10	10 days accumulative leave + 3% of annual salary	$(10/250 + 3/100) \times$ annual salary
15	15 days accumulative leave + 4% of annual salary	$(15/250 + 4/100) \times$ annual salary
20	15 days accumulative leave + 5% of annual salary	$(15/250 + 5/100) \times$ annual salary
25, 30, 35, 40, 45	15 days accumulative leave + 6% of annual salary	$(15/250 + 6/100) \times$ annual salary

Changes in the present value of the long service award

Opening balance	14 089 000	12 887 000
Benefits paid	(1 180 000)	(1 202 000)
Net expenses recognised in the statement of financial performance	(157 000)	2 404 000
	12 752 000	14 089 000

Net expense of the long service award benefit recognised in the statement of financial performance

Current service cost	1 621 000	1 670 000
Interest cost	1 180 000	1 032 000
Actuarial (gain)/loss	(2 958 000)	(298 000)
	(157 000)	2 404 000

	2017 R	2016 R
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20. Employee benefit obligations (continued)

Key assumptions

Discount rate	Yield Curve	8.8%
Consumer price inflation	Difference between nominal and real yield curve	6.51%
Normal salary increase rate	Equal to CPI+1%	7.51%
Net effective discount rate	Yield Curve Based	1.2%

Discount rate:

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yield at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficient long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve".

For 2016 the rate was set as the yield of the R208 South African government bond as at the valuation date. The actual yield on the R208 bond was sourced from the RMB Global Markets' website on year end. For 2017 we use the nominal and real zero curves as at 30 June 2017 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period. We have changed this methodology from a point estimate in order to present a more accurate depiction of the liability. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years. Previously only one discount rate was used to value all the liabilities.

Normal salary inflation:

We have derived the underlying future rate of consumer price index inflation (CPI inflation) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. Our assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an assumed increase on 01 July 2017 of 7.36%. The next salary increase was assumed to take place on 01 July 2018.

Average retirement rate:

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements.

Normal retirement age:

The normal retirement age (NRA) for all active employees was assumed to be 65 years

Mortality rate:

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

Withdrawal decreasements:

The following table sets out the assumed rates of withdrawal from service:

Age band	Withdrawal rates males	Withdrawal rates females
20 years	25	years

16.00 %
12.00 %

24.00 %
18.00 %

	2017 R	2016 R
20. Employee benefit obligations (continued)		
30 years	10.00 %	15.00 %
35 years	8.00 %	10.00 %
40 years	6.00 %	6.00 %
45 years	4.00 %	4.00 %
50 years	2.00 %	2.00 %
55 years	1.00 %	1.00 %

Sensitivity analysis - normal salary inflation

The cost of the long service awards is dependant on the increase in the annual salaries paid to the employees. The rate at which salaries increase will thus have a direct effect on the liability of future retirees.

30 June 2017

A one percentage point change in assumed normal salary inflation trends would have the following effects:

	One percentage point increase	One percentage point decrease
Effects on the total accrued liability	11 982 000	13 602 000
Effects on current service cost	1 311 000	1 502 000
Effects on interest cost	1 228 000	1 403 000
	14 521 000	16 507 000

21. Financial instruments disclosure

Categories of financial instruments

2017

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	432 993	478 553	911 546
Receivables from exchange transactions	-	68 897 896	68 897 896
Receivables from non exchange transactions	-	19 591 247	19 591 247
Cash and cash equivalents	-	3 780 791	3 780 791
Sundry receivables	-	10 675 864	10 675 864
	432 993	103 424 351	103 857 344

Financial liabilities

	At amortised cost	Total
Finance lease obligation	355 478	355 478
Payables from exchange transactions	1 028 292 373	1 028 292 373
Consumer deposits	5 249 695	5 249 695
Other financial liabilities	734 332	734 332
	1 034 631 878	1 034 631 878

2016

Financial assets

	2017 R	2016 R
Financial instruments disclosure (continued)		
	At fair value	At amortised cost
		Total
Other financial assets	403 326	446 265
Receivables from exchange transactions	-	46 385 682
Receivables from non exchange transactions	-	16 196 257
Cash and cash equivalents	-	8 443 765
Sundry receivables	-	5 901 733
	403 326	77 373 702
		77 777 028
Financial liabilities		
		At amortised cost
		Total
Consumer deposits		5 367 740
Finance lease obligation		636 071
Other financial liabilities		3 646 942
Payables from exchange transactions		707 607 258
Unspent conditional grants and receipts		508 115
		717 766 126
		717 766 126
22. Service charges		
Sale of electricity	146 091 861	134 407 316
Sale of water	56 810 628	51 684 863
Sewerage and sanitation charges	31 245 683	29 082 401
Refuse removal	27 771 266	25 989 839
	261 919 438	241 164 419
23. Rental of facilities and equipment		
Premises		
Premises	1 252 115	766 066
Airport hire	16 614	17 219
Venue hire	9 051	14 335
Camps	4 710	26 045
Buildings and housing	167 945	182 139
	1 450 435	1 005 804
Facilities and equipment		
Rental of equipment	1 128	2 952
Premises	1 450 435	1 005 804
Garages and parking	-	-
Facilities and equipment	1 128	2 952
	1 451 563	1 008 756
24. Other revenue		
Other income - (rollup)	1 921 542	1 695 828

	2017 R	2016 R
25. Other income		
Administration fees	1 139	104
Building plans and inspections	141 745	111 261
Clearance certificates	86 920	89 670
Grave plots	630 455	654 429
Reconnection / connection fees	251 807	208 355
Sale of land	61 708	356 162
Sundry income	675 914	165 234
Tender deposits	71 854	110 613
	1 921 542	1 695 828
26. Investment revenue		
Dividend revenue	-	1 860
Interest revenue		
Other financial asset	1 522 469	1 998 414
Interest charged on trade and other receivables	43 596 920	33 865 480
	45 119 389	35 863 894
	-	1 860
	45 119 389	35 863 894
	45 119 389	35 865 754

	2017 R	2016 R
27. Property rates		
Rates received		
Residential	119 301 653	101 632 955
Less: Income forgone	(42 504 550)	(37 152 110)
	76 797 103	64 480 845
Valuations		
Agriculture	3 421 386 382	3 566 188 783
Buiness	499 478 335	208 398 481
Churches	85 100 440	72 958 510
Government	337 986 081	313 873 729
Industrial	38 686 500	26 625 300
Municipal	27 806 260	211 201 180
Other	99 000	840 000
Public Service Infrastructure	23 761 520	5 571 720
Residents	4 268 504 359	4 196 249 859
Schools	39 153 850	48 217 050
Small Business	-	9 889 100
Undeveloped land	130 030 971	12 602 051
	8 871 993 698	8 672 615 763

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2014. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The effective date of the valuation was 01 July 2014. The valuations were performed by an independent valuer, Mr Arthur Lelosa, of Manna Holdings. Manna Holdings are not connected to the municipality and have recent experience in location and category of the investment property being valued

The new general valuation will be implemented on 01 July 2017.

28. Fines, penalties and forfeits

Fines - tampered meters	1 015 179	481 481
Fines - traffic	323 732	281 144
	1 338 911	762 625

29. Government grants and subsidies

Operating grants

Equitable share	157 638 874	186 904 000
Local Government Finance Management Grant (FMG)	1 809 989	1 661 305
LGSETA Grant	-	215 522
Provincial Treasury subsidy (electricity)	4 924 113	-
Provincial Treasury subsidy (sewerage)	6 100 000	-
Cooperative Governance and traditional affairs subsidy (operational expenditure)	3 086 000	-
Provincial Treasury subsidy (water and audit fees)	-	1 273 724
	173 558 976	190 054 551

Capital grants

Municipal Systems Improvement Grant (MSIG)	-	919 717
Expanded Public Works Programme (EPWP)	1 041 372	1 097 000

	2017 R	2016 R
29. Government grants and subsidies (continued)		
Department of Mineral and Energy Grant (INEG)	9 850 000	2 682 900
Municipal Infrastructure Grant (MIG)	52 069 711	40 620 382
Department of Water and Forestry Grant	74 241	21 572 079
Subsidy received from Provincial Treasury	-	10 000 000
	63 035 324	76 892 078
	173 558 976	190 054 551
	63 035 324	76 892 078
	236 594 300	266 946 629

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	78 955 426	80 042 629
Unconditional grants received	157 638 874	186 904 000
	236 594 300	266 946 629

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members..

Current year receipts	157 638 874	186 904 000
Conditions met - transfer to revenue	(157 638 874)	(186 904 000)
	-	-

Department of Mineral and Energy Grant (INEG)

Balance unspent at beginning of year	393 278	76 178
Current-year receipts	9 850 000	3 000 000
Conditions met - transferred to revenue	(9 850 000)	(2 682 900)
Grant withheld	(393 278)	-
	-	393 278

Conditions still to be met - remain liabilities (see note 18).

The grant is used to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

Department of Water and Forestry Grant

Balance unspent at beginning of year	74 241	-
Current-year receipts	-	21 646 320
Conditions met - transferred to revenue	(74 241)	(21 572 079)
	-	74 241

Conditions still to be met - remain liabilities (see note 18).

The grant is used to subsidise, refurbish and restore the functionality of water services schemes previously owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department.

	2017 R	2016 R
29. Government grants and subsidies (continued)		
Municipal infrastructure Grant (MIG)		
Balance unspent at beginning of year	16 618	-
Current-year receipts	52 070 000	40 637 000
Conditions met - transferred to revenue	(52 069 712)	(40 620 382)
Grant withheld	(16 618)	-
	<u>288</u>	<u>16 618</u>

Conditions still to be met - remain liabilities (see note 18).

The grant is used to provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

LGSETA Grant

Current-year receipts	-	215 522
Conditions met - transferred to revenue	-	(215 522)
	<u>-</u>	<u>-</u>

LGSETA grant is used for the skills development of the municipal employees as per the skills work plan.

Local Government Finance Management Grant (FMG)

Balance unspent at beginning of year	13 695	-
Current-year receipts	1 810 000	1 675 000
Conditions met - transferred to revenue	(1 809 989)	(1 661 305)
Grant withheld	(13 695)	-
	<u>11</u>	<u>13 695</u>

Conditions still to be met - remain liabilities (see note 18).

The grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

Expanded Public Works Programme (EPWP)

Current-year receipts	1 078 000	1 097 000
Conditions met - transferred to revenue	(1 041 372)	(1 097 000)
	<u>36 628</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 18).

The grant is used to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme Guidelines: road maintenance and the maintenance of buildings, low traffic volume roads and rural roads, basic services infrastructure, including water and sewer reticulation, sanitation, pipelines (excluding bulk infrastructure), other economic and social infrastructure, tourism and cultural industries, waste management, parks and beautification, sustainable land-based livelihoods, social services programme, health service programme and community safety programme.

	2017 R	2016 R
29. Government grants and subsidies (continued)		
Municipal Systems Improvement Grant (MSIG)		
Balance unspent at beginning of year	10 283	-
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(919 717)
Grant withheld	(10 283)	-
	<u>-</u>	<u>10 283</u>

Conditions still to be met - remain liabilities (see note 18).

The grant is used to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislations.

Provincial Treasury subsidy (water and audit fees)

Current-year receipts	-	11 273 724
Conditions met - transferred to revenue (operating)	-	(1 273 724)
Conditions met - transferred to revenue (capital)	-	(10 000 000)
	<u>-</u>	<u>-</u>

Provincial Treasury paid on behalf of Ngwathe for the intallation of water meters (capital) and also for a part of their audit fees owing to the Auditor General.

Provincial Treasury subsidy (electricity)

Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	(4 924 113)	-
	<u>75 887</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 18).

This grant relates to a subsidy for the purchase and installation of electricity meters.

Cooperative Governance and Traditional Affairs (operational)

Current-year receipts	3 086 000	-
Conditions met - transferred to revenue	(3 086 000)	-
	<u>-</u>	<u>-</u>

This grants relate to a subsidy for the payment of accounting consulting fees.

Provincial Treasury subsidy (sewerage)

Current-year receipts	6 100 000	-
Conditions met - transferred to revenue	(6 100 000)	-
	<u>-</u>	<u>-</u>

This grants relate to a subsidy for the payment of maintenance cost relating to the sewerage plant.

	2017 R	2016 R
30. Employee related costs		
Basic	102 986 615	101 769 653
Bonus	9 101 978	7 621 109
Medical aid - company contributions	9 480 281	7 174 884
Unemployment insurance fund (UIF)	1 266 019	1 220 027
Other payroll levies	1 550 336	1 528 467
Leave pay provision charge	915 169	2 146 605
Service cost - employee benefits	3 125 000	3 066 000
Overtime payments	19 664 409	17 665 541
Pension fund contributions	18 227 485	18 040 282
Car allowance	4 919 963	4 540 347
Housing benefits and allowances	364 730	381 454
Other allowances	13 773 297	14 950 630
Group life insurance	1 388 434	1 355 275
	186 763 716	181 460 274
Remuneration of Municipal Manager (Kannemeyer BW)		
Annual remuneration	301 510	-
Allowance	140 778	-
Contributions to UIF, medical and pension funds	4 736	-
	447 024	-
Mr BW Kannemeyer has been appointed as Municipal Manager from March 2017.		
Remuneration of Municipal Manager (Kamolane LD)		
Annual remuneration	-	401 177
Allowance	-	171 683
Contributions to UIF, medical and pension funds	-	62 740
	-	635 600
Remuneration of Chief Finance Officer (Samyala N)		
Annual remuneration	744 522	665 408
Allowance	210 433	143 147
Contributions to UIF, medical and pension funds	10 913	9 435
	965 868	817 990
Remuneration of Chief Finance Officer (Mkhuma TG)		
Annual remuneration	-	46 326
Allowance	-	13 596
Contributions to UIF, medical and pension funds	-	10 059
	-	69 981
Mrs Mkhuma acted for one month in 2016 financial year as Chief Financial Officer.		
Remuneration Director Technical Services (Shabalala NE)		
Annual remuneration	730 278	695 852
Allowance	224 705	198 742
Contributions to UIF, medical and pension funds	10 885	10 333
	965 868	904 927

	2017 R	2016 R
30. Employee related costs (continued)		
Remuneration of Director Community Services (Netshivhodza AB)		
Annual remuneration	586 497	560 200
Allowance	318 766	287 756
Contributions to UIF, medical and pension funds	60 074	63 344
	965 337	911 300
Remuneration of Acting Director Corporate Services (Majivolo ZJ)		
Annual remuneration	499 531	431 319
Car allowance	83 518	83 158
Contributions to UIF, medical and pension funds	128 112	92 887
	711 161	607 364
Mr Majivolo has been acting as Director Corporate Services from November 2016 to February 2017.		
Remuneration of Director Corporate Services (Tsekedi PS)		
Annual remuneration	823 649	151 509
Car allowance	211 490	36 449
Contributions to UIF, medical and pension funds	232 778	45 803
	1 267 917	233 761

	2017 R	2016 R
31. Remuneration of councillors		
Executive Major	812 551	813 163
Mayoral Committee Members	2 203 754	2 097 999
Speaker	623 610	650 900
Councillors	7 803 480	7 916 579
	11 443 395	11 478 641

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office, laptop, cellphone and secretarial support at the cost of the Council.

The Executive Mayor and the Speaker each have the use of separate Council owned vehicles and driver for official duties.

The Mayor has one full-time bodyguards.

Salaries, allowances and benefits of political office bearers and councillors of the municipality are within the upper limits of the framework as envisaged by section 219 of the constitution.

2017
R2016
R**31. Remuneration of councillors (continued)**

Councillors 30 June 2017	Annual remuneration and backpay	Allowances	Company contributions	Total
Mochela MJ	594 132	207 278	11 140	812 550
Mopedi NP	482 846	132 998	7 766	623 610
Mbele MA	187 651	82 252	3 355	273 258
Mmusi M	214 484	87 377	-	301 861
Mofokeng MM	203 960	79 190	3 355	286 505
Mofokeng ML	251 059	82 211	3 796	337 066
Ndayi PR	294 746	98 954	7 132	400 832
Serathi M	262 223	84 583	4 693	351 499
Sotshiva LP	183 679	69 052	-	252 731
Choni SP	24 090	9 484	1 807	35 381
De Beer VE	191 256	81 159	-	272 415
De Jager AJ	30 558	12 959	-	43 517
De Jager SHF	191 468	80 947	-	272 415
Ferendale RS	191 468	80 947	-	272 415
Fieland H	170 434	69 052	-	239 486
Gobidolo M	170 434	69 052	-	239 486
Hlapane ML	30 558	12 859	-	43 417
Kgantse R	170 433	69 052	-	239 485
Khumalo JK	25 529	13 248	-	38 777
La Cock PJ	170 434	69 052	-	239 486
Mabena JS	170 434	69 052	-	239 486
Magashule IM	170 434	69 052	-	239 486
Mandelstam G	41 180	17 065	-	58 245
Masooa MJ	24 090	9 484	1 807	35 381
Matroos AH	170 434	69 052	-	239 486
Mehlo LR	190 363	79 541	3 355	273 259
Miyen M	170 434	69 052	-	239 486
Modiko DV	24 090	9 483	1 807	35 380
Mofokeng MD	191 468	80 947	-	272 415
Molaphene PM	183 560	80 947	-	264 507
Molotsane RJ	24 090	9 483	1 807	35 380
Motebele R	170 434	69 052	-	239 486
Motsumi ME	23 935	10 153	-	34 088
Mthimkulu S	30 558	12 959	-	43 517
Mvulane L	182 067	87 837	3 355	273 259
Ndlovu NA	30 083	12 022	2 256	44 361
Nteo S	170 434	69 052	-	239 486
Oliphant SAM	24 090	9 483	1 807	35 380
Radebe DM	30 083	11 922	2 256	44 261
Radebe S	170 433	69 052	-	239 485
Ramabista IM	30 083	12 022	2 256	44 361
Ranthako MC	24 090	9 483	1 807	35 380
Rapuleng MD	170 433	69 052	-	239 485
Scholtz F	30 558	12 959	-	43 517
Schoonwinkel A	237 084	84 937	17 781	339 802
Sehume A	191 468	80 947	-	272 415
Serfontein C	260 971	77 591	-	338 562
Sothoane EC	23 935	10 153	-	34 088
Swart AP	30 558	12 959	-	43 517
Taje M	170 433	69 052	-	239 485
Toyi MS	170 433	69 052	-	239 485
Thene LBS	170 433	69 052	-	239 485
Tlali LL	24 090	9 483	1 807	35 380
Van Der Merwe PP	193 268	80 947	-	274 215
Vandisi TL	31 859	14 093	2 389	48 341

			2017 R	2016 R
31. Remuneration of councillors (continued)				
Vermaak SM	185 952	73 953	13 946	273 851
	8 179 784	3 162 131	101 480	11 443 395

Councillors 30 June 2016

	Annual remuneration and backpay	Allowances	Company contributions	Total
Mochela MJ	600 638	168 959	43 566	813 163
Ndayi PR	437 702	181 556	31 642	650 900
Mandelstam G	264 288	86 381	-	350 669
Mopedi NP	252 357	78 699	18 259	349 315
Schoonwinkel A	252 357	78 099	18 259	348 715
Serathi M	252 357	78 699	18 259	349 315
Vandisi TL	252 396	78 657	18 263	349 316
Bocibo CN	53 704	22 274	4 028	80 006
Choni SP	180 821	66 821	13 077	260 719
De Beer VE	183 049	78 655	-	261 704
De Jager AJ	183 349	78 355	-	261 704
De Jager SHF	111 797	52 237	-	164 034
Ferendale RS	128 233	52 237	-	180 470
Hlapane ML	183 349	78 355	-	261 704
Khumalo JK	183 349	78 355	-	261 704
Masooa MJ	180 821	66 821	13 077	260 719
Mbele MA	180 821	66 821	13 077	260 719
Mehlo LR	180 821	66 821	13 077	260 719
Modiko DV	180 821	66 821	13 077	260 719
Mofokeng MD	182 541	78 156	-	260 697
Mofokeng ML	180 821	66 821	13 077	260 719
Mofokeng MM	180 821	66 821	13 077	260 719
Molaphene PM	183 349	78 355	-	261 704
Molotsane RJ	180 821	66 821	13 077	260 719
Motsumi ME	183 349	78 355	-	261 704
Mthimkulu S	61 116	26 118	-	87 234
Mvulane L	180 817	66 826	13 076	260 719
Ndlovu NA	180 821	66 821	13 077	260 719
Oliphant AM	180 821	66 821	13 077	260 719
Radebe DM	180 821	66 821	13 077	260 719
Ramabitsa IM	180 821	66 821	13 077	260 719
Ranthako MC	180 821	66 821	13 077	260 719
Roos J	26 944	13 059	-	40 003
Scholtz F	183 349	78 355	-	261 704
Seabi IS	26 944	13 059	-	40 003
Sehumi NA	183 349	78 355	-	261 704
Serfontein C	271 361	79 308	-	350 669
Sothoane EC	183 349	78 355	-	261 704
Spence DI	13 472	6 529	-	20 001
Swart AP	183 349	78 355	-	261 704
Tlali LL	180 821	66 821	13 077	260 719
Van der Merwe PP	183 349	72 237	-	255 586
Vermaak SM	180 821	66 821	13 077	260 719
	8 097 878	3 019 255	361 507	11 478 640

32. Depreciation and amortisation

Property, plant and equipment	65 775 720	62 790 113
Intangible assets	459 102	-
	66 234 822	62 790 113

	2017 R	2016 R
33. Finance costs		
Trade and other payables	101 391 913	71 200 487
Finance leases	55 930	79 907
Other financial liabilities	287 390	542 935
Late payment of tax	2 351 790	3 052 004
Employee benefits	2 492 846	4 643 000
	106 579 869	79 518 333
34. Debt impairment		
Debt impairment	(55 953 470)	91 211 379
<p>The recoverable amount of trade and other receivables was calculated on a individual basis per receivable based on past payment trends and individual risk categories. The difference between the recoverable amount and the gross balance per receivable was impaired for.</p>		
35. Repairs and maintenance		
Repairs		
Repairs	25 643 238	10 048 009
36. Bulk purchases		
Electricity	177 741 598	156 118 013
Water	34 394 863	25 401 857
	212 136 461	181 519 870
37. Contracted services		
Security services	1 919 505	1 360 105

	2017 R	2016 R
38. General expenses		
Accommodation cost	1 384 196	601 599
Advertising	714 664	646 277
Auditors remuneration	4 975 074	3 198 613
Bank charges	1 317 190	1 148 441
Bursaries	957 071	515 422
Chemicals	6 125 119	8 904 137
Cleaning	969 384	398 379
Commission paid	5 494 327	5 556 444
Consulting and professional fees	10 154 477	9 606 280
Donations	215 000	165 000
EPWP expenditure	1 035 655	1 096 573
Employee wellness	1 750	7 749
Entertainment	744 329	470 639
Financial systems (BCX)	3 312 297	203 261
Fuel and oil	2 619 325	2 815 947
Hire	6 526 951	2 524 414
Insurance	4 833 241	3 506 924
Lease rentals on operating lease	6 785 541	7 064 906
Legal fees	12 072 962	4 290 568
Licenses	14 411	238 512
Organisational development strategy	269 260	286 508
Other expenses	5 137 733	5 227 383
Postage and courier	2 507 155	1 316 784
Printing and stationery	2 538 051	1 781 079
Project management unit expenditure	2 016 066	2 002 950
Protective clothing	462 478	87 572
Rehabilitation cost - landfill site	(1 256 964)	22 294 774
Rent - plant and vehicles	4 735 779	3 791 756
Software expenses	1 038 364	150 292
Subscriptions and membership fees	1 946 788	2 907 860
Telephone and fax	4 878 649	6 865 483
Training	263 134	980 029
Transport and freight	95 457	-
Travel - local	924 774	741 982
Valuation roll expenses	898 114	513 158
Youth development	1 224 762	1 036 246
	97 932 564	102 943 941
39. Fair value adjustments		
Investment property	6 074 488	5 757 809
Other financial assets		
• Other financial assets (Designated as at FV through P&L)	57 701	(36 036)
	6 132 189	5 721 773
40. Auditors' remuneration		
Fees	4 975 074	3 198 613

	2017 R	2016 R
41. Cash generated from operations		
Deficit	(191 652 221)	(131 675 580)
Adjustments for:		
Depreciation and amortisation	66 234 822	62 790 113
Gain on sale of assets and liabilities	1 123 354	-
Fair value adjustments	(6 132 189)	(5 721 773)
Finance costs on trade payable and employee benefits	103 884 759	75 843 487
Debt impairment	(55 953 470)	91 211 379
Bad debts written off	173 235 102	26 846 582
Movements in retirement benefits and employee provisions	8 287 000	7 709 000
Movements in provisions	(3 926 117)	22 294 773
Actuarial gains / losses	(4 048 845)	44 000
Inventory losses / write-downs	(83 055)	100 962
Interest received on consumer receivables	(43 596 920)	(33 865 480)
Other	(53 875)	-
Changes in working capital:		
Inventories	(106 517)	(170)
Receivables from exchange transactions	(90 663 417)	(28 969 089)
Receivables from non-exchange transactions	(8 928 499)	(15 794 972)
Sundry receivables	(4 774 131)	(4 211 152)
Payables from exchange transactions	167 757 922	76 939 548
VAT	(35 157 105)	(55 270 395)
Unspent conditional grants and receipts	(395 301)	431 936
Consumer deposits	(118 045)	(145 374)
	74 933 252	88 557 795
42. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	29 180 583	63 887 103
Total capital commitments	29 180 583	63 887 103
Total commitments		
Total commitments		
Authorised capital expenditure	29 180 583	63 887 103
This committed expenditure relates to plant and equipment and will be financed by available bank facilities, existing cash resources, MIG allocations during the year and funds internally generated.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	2 583 695	1 010 576
- in second to fifth year inclusive	4 209 193	634 385
	6 792 888	1 644 961

Operating lease payments represent rentals payable by the municipality for certain of its office and computer equipment and motor vehicles. Leases are negotiated for an average term of 5 years. No contingent rent is payable.

	2017 R	2016 R
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43. Contingencies

The municipality has the following contingent liabilities and contingent assets:

The following cases against and for the municipality have been recorded as contingent liabilities and contingent assets as there is uncertainty as to the outcome of the cases. The municipality is defending these cases. The potential legal costs have not been included in the claims.

Court cases

The following cases against and for the municipality have been recorded as contingent liabilities and contingent assets as there is uncertainty as to the outcome of the cases. The municipality is defending these cases. The potential legal costs have not been included in the claims.

SS Janika vs NLM

Opening balance	60 000	40 000
Adjustment	(60 000)	20 000
	-	60 000

Litigation is in the process against the municipality whereby the plaintiff was involved in an vehicle accident with the municipal refuse truck and the complainant was seeking damages to the amount disclosed above.

Matter was concluded during the year and the municipality won the case.

Attorneys: JC Burger Attorneys

Tsekema Consulting & Project Managers vs NLM

Opening balance	3 007 298	6 419 682
Adjustment	-	(1 651 860)
Payment	(3 007 298)	(1 760 524)
	-	3 007 298

Litigation is in the process against the municipality relating to an outstanding amount not settled and the complainant is seeking damages to the amount disclosed above.

The matter was concluded in the current year.

Attorneys: In-house

J Sekgalolo vs NLM

Opening balance	2 013 580	2 013 580
Payment	(2 013 580)	-
	-	2 013 580

Litigation is in the process against the municipality relating to an outstanding amount not settled and the complainant is seeking damages to the amount disclosed above.

The matter was concluded in the current year.

Attorneys: Mpoloane Attorneys

Latlonkana Marumo vs NLM

Opening balance	163 818	163 818
Adjustment	(83 818)	-
Payment	(80 000)	-
	-	163 818

	2017 R	2016 R
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43. Contingencies (continued)

Litigation is in the process against the municipality for failure to adhere to collective agreement in paying acting allowance to the amount disclosed above.

The matter was settled during the year.

Attorney: Morris Rasegoete Attorneys

Nashua Communications vs NLM

Opening balance	521 380	521 380
Payment	(521 380)	-
	-	521 380

Litigation is in the process against the municipality relating to outstanding payments and the complainant is seeking damages to the amount disclosed above.

The matter was concluded during the year.

Attorney: Moroka Attorneys

Sedgars vs NLM

Opening balance	12 000	139 204
Adjustment	-	(127 204)
Write off	(12 000)	-
	-	12 000

Litigation is in the process against the municipality relating to damages caused to movable properties due to power outage and the complainant is seeking damages to the amount disclosed above.

The matter was concluded during the year and the municipality negotiated a write-off.

Attorney: Steyn Lyell & Maeyane Attorney

GH Manoto vs NLM

Opening balance	32 000	32 000
Adjustment	148 000	-
	180 000	32 000

Litigation is in the process against the municipality relating to damages caused to a house and furniture due to a burst water pipe and the complainant is seeking damages to the amount disclosed above.

The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as not likely.

Attorney: In-house

Busisiwe Mtimkulu vs NLM

Opening balance	2 715	2 715
Adjustment	(2 715)	-
	-	2 715

Litigation is in the process against the municipality relating to unfair dismissals and the complainants are seeking damages to the amount disclosed above.

The matter was concluded during the year and the municipality won the case.

	2017 R	2016 R
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43. Contingencies (continued)

Attorneys: JC Burger

SAMWU obo Hlapane vs NLM

Opening balance	400 000	400 000
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Litigation is in the process against the municipality relating to the interpretation and application of the collective agreement and the complainant is seeking damages to the amount disclosed above.

The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as not likely.

Attorneys: ADW van den Berg Attorneys

Telkom vs NLM

Opening balance	7 238	20 427
Adjustment	-	6 987
Payment	(7 238)	(20 176)
	-	7 238

Litigation is in the process against the municipality relating to damages caused to Telkom infrastructure and the complainant is seeking damages to the amount disclosed above.

The matter was concluded during the year.

Attorneys: ADW van den Berg Attorneys

Ensemble Trading 2053 CC vs NLM

Opening balance	150 000	150 000
Adjustment	300 000	-
	450 000	150 000

Litigation is in the process against the municipality for storage costs not being paid and the complainant is seeking damages to the amount disclosed above.

The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as not likely.

Attorney: In-house

Rankakhakile Jona Mohohlo vs NLM

Opening balance	16 994	16 994
Payment	(16 994)	-
	-	16 994

Litigation is in the process against the municipality for damages caused to vehicle due to potholes and the complainant is seeking damages to the amount disclosed above.

The matter was concluded during the year.

Attorneys: Du Toit Mandelstam Incorporated

Sibongile Community Trust vs NLM

Opening balance	50 000	50 000
Adjustment	(50 000)	-
	-	-

-	50 000
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	2017 R	2016 R
43. Contingencies (continued)		
Civil Letigation, The plaintiff withdrew the case.		
Attorneys:JC Burger Attorneys		
Cornelius Henry Harris vs NLM		
Opening balance	40 000	40 000
Payment	(40 000)	-
	<u>-</u>	<u>40 000</u>

Public liability claim. Damages motor cycle due to porthole and plaintiff is claiming damages occurred.

The matter was concluded during the year.

Attorneys:JC Burger Attorney

Dispute municipal account

Various plaintiffs	-	-
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Negotiations are currently in progress with plaintiffs disputing municipal accounts. The municipality's lawyers and management is not able to reasonably estimate the potential liability. It is estimated that the cases should be resolved in the next two years.

Supplier account disputes

C-Sonke	-	-
Dagne Trading and Projects	-	-
Nqaba Engineering & Infrastructures	-	-
Sadieo Projects Pty Ltd	-	-
SITA Pty Ltd	-	-
Blackbird Trading	-	-
	<u>-</u>	<u>-</u>

With regards to the creditors listed above. There are some disputed invoices which have not been included in creditors on the financial statements. When the disputes have been resolved the creditors could be increased.

Contingent assets

NLM vs TJ Mokoena

Opening balance	<u>125 000</u>	<u>125 000</u>
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Litigation is in the process against Mr TJ Mokoena relating to unlawful, irregular and wasteful expenditure incurred on behalf of Ngwathe Local Municipality.

The municipality's lawyers and management consider the likelihood of the action against Mr TJ Mokoena being successful as likely.

Attorneys: Lebea & Associates

2017
R2016
R**44. Related parties**

Relationships	
Members of key management	Refer to note 30
Members of council	Refer to note 31

No related party transactions were identified by management.

Key management and Councillors receive and pay for service on the same terms and conditions as other rate payers. These transactions are recorded at arm's length.

45. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position**2016**

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment		735 784 355	4 993 701	740 778 056
Employee benefit obligation - current liabilities		(3 361 000)	165 000	(3 196 000)
Employee benefit obligation - non-current liabilities		(77 160 000)	26 031 000	(51 129 000)
Accumulated surplus - 1 July 2015		(81 940 343)	(71 418 264)	(153 358 607)
Other receivables		1 374 396	4 527 337	5 901 733
Receivables from non-exchange transactions		17 758 544	1 562 288	19 320 832
Receivables from exchange transactions		44 823 394	(1 562 288)	43 261 106
VAT Receivable		30 708 404	45 862 117	76 570 521
Accumulated surplus deficit for the year		141 836 470	(10 160 891)	131 675 579
		809 824 220	-	809 824 220

Statement of financial performance**2016**

	Note	As previously reported	Correction of error	Restated
Employee related costs		183 643 274	(2 183 000)	181 460 274
Actuarial losses		2 489 000	(2 445 000)	44 000
Finance costs		81 100 334	(1 582 000)	79 518 334
Depreciation and amortisation		60 763 037	2 027 076	62 790 113
Service charges		(232 788 542)	(8 375 877)	(241 164 419)
Debt impairment		120 159 057	(2 101 096)	118 057 961
General expenditure		98 444 936	4 499 006	102 943 942
Surplus for the year		313 811 096	(10 160 891)	303 650 205

46. Prior period errors

Post retirement medical aid liability

The 2016 actuarial valuation for the post-retirement medical aid liability was re-performed in order to take into account the cap that is placed on the municipality's contribution to the pensioners medical aid and to ensure that the method and assumptions for 2016 and 2017 are alligend. This cap is in line with the policy as well as the practices of the municipality. The comparative statements for 2015/2016 have been restated. The effect of the restatement is summarised below.

Ngwathe Local Municipality

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46. Prior period errors (continued)

Statement of financial position

Decrease in Employee benefit obligation - current liabilities	165 000
Decrease in Employee benefit obligation - non-current liabilities	26 031 000
Increase in Accumulated surplus - 1 July 2015	(19 986 000)
	6 210 000

Statement of financial performance

Decrease in Employee related cost	(2 183 000)
Decrease in Finance costs	(1 582 000)
Increase in Actuarial gain	(2 445 000)
	(6 210 000)

Movable assets

During the preparation of the 2017 movable asset register errors were found where the 2016 asset register and the trail balance did not agree. In addition assets were identified which were not recorded on the asset register, these assets did not relate to 2016 additions. The asset register has been updated to account for these differences and errors. The comparative statements for 2015/2016 have been restated. The effect of the restatement is summarised below:

Statement of financial position

Increase in Property, plant and equipment	79 411
Increase in Accumulated surplus - 1 July 2015	(896 750)
	(817 339)

Statement of financial performance

Increase in Depreciation	817 339
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Infrastructure assets

During the preparation of the 2017 asset register assets were identified which were not recorded on the asset register, these assets did not relate to 2016 additions. The asset register has been updated to account for these differences and errors. The comparative statements for 2015/2016 have been restated. The effect of the restatement is summarised below:

Statement of financial position

Increase in Property, plant and equipment	25 380 477
Increase in accumulated surplus - 1 July 2015	(26 590 214)
	(1 209 737)

Statement of financial performance

Increase in Depreciation	1 209 737
--------------------------	-----------

Work-in-progress

During the preparation of the 2017 asset register it was identified that assets were taken on as infrastructure assets in years prior to 2015/2016, however the cost were never transferred out of work-in-progress register. The comparative statements for 2015/2016 have been restated. The effect of the restatement is summarised below:

Statement of financial position

Decrease in Property, plant and equipment	(20 466 187)
Decrease in Accumulated surplus - 1 July 2015	20 466 187
	-

Ngwathe Local Municipality

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46. Prior period errors (continued)

Disclosure note commitments

Balance per AFS 30 June 2016	107 775 646
Decrease in commitments	(43 888 543)
	63 887 103

Two projects were included in commitments with budgeted value to with contracted value.

Disclosure note commitments

Balance per AFS 30 June 2016	107 775 646
Decrease in commitments	(43 888 543)
	63 887 103

Interest on receivables were included in property rates votes.

Statement of financial position

Increase in receivables from exchange transactions	103 084 443
Increase in provision for bad debts	(101 522 155)
Decrease in receivables from non exchange transactions	(103 084 443)
Decrease in provision for bad debts	101 522 155
	-

During the 2014/2015 and 2015/2016 financial year management recognised VAT on provision for impairment though income statement

Statement of financial position

Increase in VAT control account	46 482 974
Increase in accumulated surplus	(44 381 878)
	2 101 096

Statement of financial performance

Decrease in provision for impairment	(2 101 096)
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Sale of prepaid electricity and commission were not accounted for as at 30 June 2016

Statement of financial position

Increase in sundry debtors	4 489 469
Increase VAT output	(612 598)
	3 876 871

Statement of financial performance

Increase in commission paid	4 499 006
Increase in prepaid electricity	(8 375 877)
	(3 876 871)

47. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (cash flow interest rate risk), credit risk and liquidity risk.

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47. Risk management (continued)

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	5 249 695	-	-	-
Finance lease obligation	313 060	42 418	-	-
Other financial liabilities	734 332	-	-	-
Payables from exchange transactions	1 028 292 373	-	-	-
Unspent conditional grants and receipts	112 814	-	-	-

At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	2 181 704	1 465 238	-	-
Payables from exchange transactions	707 607 258	-	-	-
Unspent conditional grants and receipts	508 116	-	-	-
Consumer deposits	5 367 740	-	-	-
Finance lease obligation	282 326	353 745	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Receivables from exchange transactions	68 897 896	46 385 682
Receivables from non-exchange transactions	19 591 247	16 196 257
Cash and cash equivalents	3 780 791	8 443 765
Other financial assets	911 546	849 591

Market risk

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

48. Going concern

We draw attention to the fact that at 30 June 2017, the municipality had net loss of R 191 652 221 and that the municipality's total liabilities exceed its assets by R 13 324 955.

The municipality is experience some financial difficulties, indicators are as follows:

- suppliers are not paid within the legislative 30 days;
- employee benefit obligations are unfunded;

48. Going concern (continued)

- high levels of electricity distribution losses;
- slow collection and low recoverability of outstanding consumer accounts; and
- unfavorable financial ratios.

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality. Although certain financial ratios may appear unfavourable, the municipality still has the power to levy rates and taxes and it will continue to receive funding from government as evident from the equitable share allocation in terms of the Division of Revenue Act No3 of 2017.

49. Events after the reporting date

Management is not aware of any events that happened after the reporting date that requires disclosure.

50. Unauthorised expenditure

Opening balance	316 434 915	139 339 772
Incurred during the current year	47 965 087	177 095 143
	364 400 002	316 434 915

51. Fruitless and wasteful expenditure

Opening balance	74 252 491	-
Incurred in the current year	103 497 839	74 252 491
	177 750 330	74 252 491

Details of fruitless and wasteful expenditure incurred in the current year

ABSA bank (Interest)	54 464	126
Auditor General of South Africa (AGSA) (Interest)	20 871	125 460
Department of Water Affairs (DWA) (Interest)	446 366	4 690 349
ESKOM (Interest)	100 355 478	66 203 927
National funds for municipal workers (Interest)	-	7 492
OFS pension fund (Interest)	690	2 808
Rand water (Interest)	223 129	86 211
SALA pension fund (Interest)	7 417	14 297
SAMWU provident fund (Interest)	10 924	26 378
SARS - EMP (Interest and penalties)	2 039 258	2 773 300
SARS - VAT (Interest and penalties)	312 532	278 704
TELKOM (Interest)	26 710	43 439
	103 497 839	74 252 491

52. Irregular expenditure

Opening balance	65 687 569	5 487 221
Add: Irregular expenditure - current year	102 412 393	60 200 348
Add: Irregular expenditure prior year 2015/2016	8 209 112	-
	176 309 074	65 687 569

Figures in Rand

52. Irregular expenditure (continued)

Analysis of expenditure awaiting investigation per age classification

Current year	102 412 393	60 200 348
Prior years	73 896 681	5 487 221
	176 309 074	65 687 569

Details of irregular expenditure – identified current year

Procurement regulations not followed for purchases between R2 000 and R10 000 and no deviation documented.	Non-compliance to the Supply Chain Policy	158 937
Procurement regulations not followed for purchases between R10 001 and R30 000 and no deviation documented.	Non-compliance to the Supply Chain Policy	2 393 128
Procurement regulations not followed for purchases between R30 001 and R200 000 and no deviation documented.	Non-compliance to the Supply Chain Policy	13 172 267
Procurement regulations not followed for purchases more than R200 000 and no deviation documented.	Non-compliance to the Supply Chain Policy	94 897 174
		110 621 506

53. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	482 315	435 295
Current year subscription / fee	1 713 775	1 513 800
Amount paid - current year	(1 654 860)	(1 466 780)
	541 230	482 315

Distribution losses

	2017 R	2017 %	2016 R	2016 %
Electricity losses	86 568 467	62%	126 752 795	52%
Water losses	59 721 748	54%	-	0%

The differences on sale of water is eud to water estiamtes made by the Department of Water Affairs as there are no bulk water meters.

Audit fees

Opening balance	(450 753)	6 005 719
Current year subscription / fee	5 671 585	3 621 179
Interest charged	126 186	125 460
Amount paid - current year	(2 825 038)	(10 203 111)
	2 521 980	(450 753)

PAYE, UIF and SDL

Opening balance	2 410 563	19 862 413
Current year subscription / fee	26 666 935	26 727 721
Amount paid - current year	(23 595 968)	(44 179 571)
	5 481 530	2 410 563

Figures in Rand

53. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and medical aid deductions

Opening balance	-	3 681 234
Current year subscription / fee	42 851 631	21 788 957
Amount paid - current year	(42 271 108)	(25 470 191)
Amount paid - previous years	(2 204 247)	-
	(1 623 724)	-

VAT

VAT receivable	111 727 626	76 570 521
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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2017:

30 June 2017	Outstanding more than 90 days R	Total R
Bocibo CN	4 317	4 317
De Jager A	46 097	46 097
Ferendale RS	30 357	30 357
Fieland H	20 378	20 378
Gobidolo SM	19 307	19 307
Mmusi MG	359	359
Molaphene PM	885	885
Motebele R	2 593	2 593
Motsumi ME	21 306	21 306
Nteo S	5 404	5 404
Rapuleng MD	1 526	1 526
Taje M	2 283	2 283
	154 812	154 812
30 June 2016	Outstanding more than 90 days R	Total R
De Jager A	12 181	12 181
Ferendale DA	228	228
Mofokeng MD	973	973
Molapene PM	1 856	1 856
Motsumi ME	19 886	19 886
Mthinkulu S	19 935	19 935
Schoonwinkel A	1 073	1 073
Sothoane EC	4 243	4 243
Swart A.P	4 004	4 004
Vandisi TL	2 080	2 080
	66 459	66 459

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

54. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations. The expenses incurred as listed hereunder have been approved:

Category of services

Emergency services	77 000	204 376
Sole provider	82 018	208 853
Impractically or impossible	65 936	-
Specialised services	-	23 782
	224 954	437 011

55. Budget differences

Material differences between budget and actual amounts

Management considers any variances above 10% to be significant

55.1 - Management was unable to collect and bill as expected per budget due to weak internal controls on revenue section,

55.2 - Rental equipments were not able to generate rental income as budgeted, this might be due to the fact that they are not adequately maintained.

55.3 - Municipality over budgeted as they have expected to receive more other income from festivals that were held in Parys.

55.4 - The municipality did not take into account interest charged on outstanding receivables.

55.5 - Management over budgeted based on incorrect escalation of tariffs.

55.6 - Management collected more fines than was expected, due to illegal connections that were identified on the water and electricity.

55.7 - Management spent more on employee cost due to acting allowance, overtime.

55.8 - Management budgeted less for depreciation.

55.9 - Management budgeted more for impairment .

55.10 - Management budgeted less on finance cost, Management budgeted less on Eskom based on the repayment terms entered into with the current Municipal Manager.

55.11 - Management did not expect to spend more on repairs and maintenance hence less budget.

55.12 - Management did not take into account distribution losses, hence less budget on bulk purchases.

55.13 - Management budgeted less on contracted services, this is due to the fact that management planned to perform some of its services internally rather than to contract them out.

55.14 - Management spent less on general expenses, this might be due to cash flow constraints or priorities on creditors payments.

55. Budget differences (continued)

55.18 - Management did not budget for this expenses

55.15 - Management billed more than expected and new impairment methodology was used.

15.16 - Budgeted was based on last financial year balance as at 30 June 2016, municipality has less than expected

55.17 - Newly found assets were capitalised and new projects that were started in the 2016/17 financial year are included in WIP.

55.19 - New computer software were purchased in the 2016/2017 financial year.

55.20 - Management over budgeted on other financial assets.

55.21 - Management planned to acquire additional financial assistance from DBSA in the 2016/2017 financial year.

55.22 - Management was unable to pay Eskom and Rand water on time hence an increase in payables.

55.23 - Management anticipated project delays due to change in senior positions hence the unspent.

55.24 - Combination of short term and long term is less than 10%.

55.25 - Management anticipated council to approve the organisational structure hence the over budgeted on employee benefits.

55.26 - Management expected more revenue to be collected through the assistance of Bonakude on revenue enhancement.

55.27 - Management expected to collect their debtors accounts on time through assistance of Bonakude and interest were to decrease.

55.28 - Management anticipated to receive dividends on other financial assets held.

55.29 - Municipality over budgeted on other receipts.

55.30 - Management expected to pay Eskom, DWA and Rand Water on time during the year, hence less budget on finance cost.

55.31 - Management budgeted based on Municipal Infrastructure Grant only and not taking in to accounts other projects.

5.2 NGWATHE LOCAL MUNICIPALITY AUDIT ACTION PLAN

Annexure C 5.1																
REMEDIAL ACTION PLAN TOWARD 2016/17 AUDIT REPORT : NL																
Legend for indication of status:																
Current status on implementation of Recommendations																
%																
0%																
20%																
40%																
75%																
90%																
100%																
- No progress																
- Task started																
- Task partially complete																
- Task progressing well																
- Task virtually complete																
- Task complete																
TO BE COMPLETED BY DEPARTMENT																
Functional Area	Audit finding	Root cause	Remedial Actions [Seperate row should be used for each action]	Completion date	Responsible Branch / Chief directorate and Directorate as well as Office/	Progress as at reporting date	Feb		Mar		Apr		May		Jun	
							%	%	%	%	%	%	%	%	%	
Other matters																
Property, plant and equipment	Differences between the Trial Balance and Annual Financial Statements (ISS 148, CoA 76)	Lack of Review	Reconciliation to be performed	30-Jun-18	CFO											
Property, plant and equipment	Disclosure of the classes of PPE not consistent, impacting: (ISS 131, CoA 71)	Lack of Review	Disclosure of the classes of PPE be adjusted and be consistent	30-Jun-18	Supply Chain Manag											
	- Buildings															
	- Land															
Property, plant and equipment	Assets could not be traced to the fixed asset register, impacting: (ISS 120, CoA 71)	Lack of Review	Addition be accounted for and be recorded in the fixed asset	30-Jun-18	Supply Chain Manag											
	- Immovables															
	- Movables															
Property, plant and equipment	Provincial demarcated roads incorrectly included in FAR, roads not componitised and methodology not submitted (ISS 109, CoA 49 & 81)	Lack of methodology	Methodology be corrected and submitted for audit purpose	30-Jun-18	Supply Chain Man											

	Properties as on the valuation roll could not be traced to the registers <i>(ISS 105, CoA 48)</i>	Valuation roll not real time	Properties be re-evaluated to update the register	30-Jun-18	Revenue and Supply Chain Manager																
Property, plant and equipment	Existence and accuracy of work in progress (WIP) could not be verified <i>(ISS 86, CoA 43)</i> : - Difference between MIG recon and register - Capital projects could not be verified - Retentions not accounted for Valuation, rights & obligation and existence could not be confirmed <i>(ISS 83, CoA 45)</i>	Lack of confirmation that the project are in working progress - non update of the valuation roll and exclude RDP houses	-MIG register and recons be done -Verify the projected listed on the WIP -prepare supporting documentation for AG audit - Update the Valuation roll	30-Jun-18	Director Tchnical/PMU Cordinator																
	Infrastructure asset not componentised <i>(ISS 79, CoA 45)</i>			30-Jun-18	Director Tchnical/PMU Cordinator																
	- Vacant land identified which have "improvement" included in asset register - Land occupied by residents who claim they are the legal owners - Land that could not be verified <i>(ISS 51, CoA 29)</i>																				
	Projects performed by the district municipality on behalf of the municipality were not capitalised <i>(ISS 45, CoA 36)</i>																				
Receivables	Bad debts written-off on debtors accounts (BU066) does not agree to general ledger and Council approval <i>(ISS 110, CoA 60)</i>	Lack of AFS review	Submit the supporting documentation and where necessary for Council approval Impairment will be recalculated accordingly. AFS to be adjusted Differences be journalised and AFS be adjusted properties are thoroughly investigated and included in the Fixed Asset	01-Jun-18	Revenue Manager/CFO																
	Disclosure of receivables from exchange and non-exchange transactions inaccurate <i>(ISS 137, CoA 89)</i>																				
	Differences identified between AFS and final TB <i>(ISS 142, CoA 85)</i>																				
Investment property	Rights & obligations (ownership) could not be confirmed <i>(ISS 94, CoA 54)</i>																				
	Existence and classification of investment property could not be verified <i>(ISS 121, CoA 61)</i>																				
Current and non-liabilities																					
Payables	Differences identified between creditors list and suppliers statement <i>(ISS 40, CoA 63)</i>	The incubent resigned and the position was not filled since then	Management should institute controls to ensure that accurate creditor reconciliations are performed at year end	30-Jun-18	Expenditure Assistant																

Revenue																					
Service charges	Incorrect readings captured and billed (ISS 57, CoA 55)	Lack of data capturer	Ensure that accurate readings are captured on the eVenus system, and this should be used for billing	30-Jun-18	Revenue Manager/CFO																
	Completeness and accuracy of revenue generated from water and electricity consumption (ISS 75, CoA 72) - Consumers just charge for basic levy, not consumption charges - Meters not traced to the debtors system	Lack of Appointment of Billing officer to do recons on a monthly basis	Ensure that for each account linked for water and electricity services, a readings in taken.	30-Jun-18	Revenue Manager/CFO																
	Non- indigent consumers awarded free basic services (sewerage) (ISS 84, CoA 55)	Lack of internal control, Lack of appointment of a dedicated official dealing with indigents	Ensure that each consumer is levied with the correct tariff code, as per the approved tariff list.	30-Jun-18	Revenue Manager/CFO																
	Unexplained difference identified between the GL and Suprima sales (ISS 111, CoA 72)	Lack of Reconciliation on Prepaid and evenus	Difference should be investigated and reported on.	30-Jun-18																	
	Sale of pre-paid electricity by BIT and commission paid incorrectly accounted for (ISS 135, CoA 72) Discrepancies identified on service charges - estimation of the sale of water and electricity and accounts with no consumption (ISS 135, CoA 72)	Lack of internal controls	Reconciliation to be performed, Variances to be identified and explained	30-Jun-18	Revenue Manager/CFO																
	Unmetered consumption at year-end not accounted for (ISS 145, CoA 72) Distribution losses incorrectly calculated and disclosed (ISS 146, CoA 87) - Water - Electricity																				
	Free basic electricity (50kWh) on pre-paid not accounted for as revenue foregone (ISS 147, CoA 72)	Lack of internal controls	Reconciliation to be performed, Variances to be identified and explained	30-Jun-18	Revenue Manager/CFO																
	Completeness of revenue from exchange transactions could not be verified (ISS 155, CoA 90) Loss of revenue due to bridging of Data-M meters (ISS 157, CoA 90)	Lack of internal controls Bridged meters, faulty meters, old system	Reconciliation to be performed, Variances to be identified and explained Replace budgy meters with split meters and replace the Data M system with the new online prepaid system	30-Jun-18	Revenue Manager/CFO/D TS																
Property rates	Completeness of revenue from non-exchange transactions could not be verified (ISS 156, CoA 92) - Businesses incorrectly levied as residential - Properties not levied for the year	Lack of complete recons on the property rates	Need to do physical verification	30-Jun-18	Revenue Manager/CFO																
Expenditure																					

	Tax levied on invalid tax invoices (ISS 26, CoA 47)	Lack of training and internal controls	Invite SARS to do staff training		Budget and Expenditure Manager													
	Goods received notes not attached to payment vouchers (ISS 27, CoA 47)	Lack of internal controls	All payment vouchers be															
Expenditure	Comparative amounts were not reclassified to be in line with current year disclosure (ISS 47, CoA 47)		Investigated to ensure that GRN is															
	Incorrect classification as repairs and maintenance (ISS 61, CoA 47)		Classification be corrected															
	Completeness of contracted services not confirmed (ISS 138, CoA 78)																	
Depreciation	Disclosure incomplete – Change in accounting policy not disclosed and incorrect measurement	Lack of internal controls	Disclosures be recalculated and disclosed accordingly	Jun-18	Supply Chain Manager													
	Differences identified when depreciation was recalculated, impacting on: (ISS 129, CoA 71)																	
	- depreciation																	
	- accumulated depreciation																	
Employee cost	Differences identified between the allowances paid and the recalculated allowances (based on the available information) (ISS 130, CoA 80)	Lack of review	Recalculation be done and where variances identified be corrected	Jun-18	Payroll Officer													
Disclosures																		
Financial statements	Material budget variances not explained in budget statement (ISS 42, CoA 32)	Lack of review	Recalculation be done and where variances identified be corrected	Jun-18	CFO													
	Differences identified in corresponding balances (ISS 49, CoA 32)																	
	- Prior year error correction on fruitless and wasteful expenditure not disclosed																	
	- Difference with regard to unauthorised expenditure																	
	- Difference in line description: Accounting fees																	
	- Difference in line description: MSIG																	
	General matters on the financial statements – WIP is incorrectly disclosed as separate item (ISS 72, CoA 94)																	
Unauthorised expenditure	Understatement of amount disclosed (ISS 48, CoA 69)	Lack of review	Disclosure be corrected and be tabled to Council	Jun-18	Supply Chain Manager/Expenditure													
Related parties	Differences noted with the amounts disclosed when compared to Payday (ISS 60, CoA 32)	Lack of review	Disclosure be corrected	Jun-18	Payroll Officer													
Fruitless and wasteful expenditure	Shortcomings noted (ISS 104, CoA 67)	Lack of review	Disclosure be corrected and be tabled to Council	Jun-18	Supply Chain Manager/ CFO													
	- Proof could not be that investigation was performed for amount written off																	
Irregular expenditure	Various shortcomings identified (ISS 93, CoA 56)	Lack of review	Disclosure be corrected and be tabled to Council	Jun-18	Supply Chain Manager/ CFO													
	- Possible overstatement of irregular expenditure (not within the definition of irregular expenditure)																	
	- Reference to payments not included relating to tenders																	
	Shortcomings noted on amounts condoned (ISS 97, CoA 56)																	
	Shortcomings noted on the completeness (ISS 98, CoA 56)																	
	- Possible overstatement																	
	- All payments on contract not included																	
	- Contract not disclosed as irregular																	
	Projects not contracted incorrectly disclosed as commitments (ISS 12, CoA 70)																	
	Differences with regard to recalculated amount (ISS 87, CoA 95)	Lack of proper disclosures	Adjust the AFS	Jun-18	Corporate and CF													

MFMA Disclosure	Deviations from SCM regulations: <i>(ISS 143, CoA 73)</i>	Lack of internal controls	Submit to Council for approval and investigations	Jun-18	CFO													
(Note 55)	- Difference between deviation- and irregular expenditure register		Correct the misallocation and account accordingly	Jun-18	CFO													
	- Incorrectly disclosed as deviations																	
	- Shortcomings with narrative disclosure																	
	Payments made to SALGA not disclosed <i>(ISS 102, CoA 66)</i>																	
	Differences identified with audit fees disclosure: <i>(ISS 103, CoA 66)</i>																	
	- Differences between amount disclosed and invoices																	
	- Differences relating to recalculated amount																	
	Pension and medical contributions: <i>(ISS 126, CoA 66)</i>	Lack of internal control	Correct the misallocation and account accordingly	Jun-18	Payroll Officer													
	- Differences with amounts disclosed																	
	- Amount paid previous years																	
	Shortcomings with PAYE and UIF disclosure: <i>(ISS 83, CoA 152)</i>																	
	- Amount paid current was not correct for the corresponding balance																	
	- Skills development levy included in the amount but not indicated in the heading/description of the note																	
	VAT returns not submitted on time: <i>(ISS 74, CoA 94)</i>	Lack of internal control	Internal capacity be improved and training be provided	Jun-18	Budget Manager													
	- Amount paid for the year not disclosed																	
	- Narrative disclosure in terms of submission of returns is not correct in stating all was submitted on time																	

	GIS information not submitted, placing a limitation on the completeness testing of infrastructure assets <i>(ISS 120, CoA 71)</i>	No GIS	Shared services with Fezile Dabi be requested	Jun-18	DTS/PMU													
	Documentation to substantiate prior period error corrections made to property, plant and equipment has not been submitted: <i>(ISS 115, - Infrastructure - WIP)</i>	Lack of supporting documentation	All completed work be reviewed and adjusted accordingly	Jun-18	DTS/PMU													
Property, plant and equipment	Existence and accuracy of work in progress (WIP) could not be verified as support for the following was not submitted: <i>(ISS 86, CoA 43)</i> - Expensed to repairs - Expensed to maintenance - Differences to be resolved Payment vouchers and other supporting documentation not submitted for additions <i>(ISS 30, CoA 17)</i>	Lack of supporting documentation	All completed work be reviewed and adjusted accordingly	Jun-18	DTS/PMU													
	WIP reconciliation, reconciliation of amounts capitalised, files of projects not submitted for audit <i>(ISS 18, CoA 16)</i>																	
Other income	Completeness cannot be confirmed as list of properties rented out not submitted <i>(ISS 114, CoA 52)</i>	Non availability of contracts	Renew contract of the property rentals	May-June 2018	Revenue Manager													
Commitments	Contracts, invoices and payments were not submitted for audit <i>(ISS 52, CoA 30)</i>	Non availability of supporting documentations	Audit of the payment vouchers, Provide supporting documentation and submit the year end journals	May-June 2018	Corporate and CFO													
Contingent liabilities	Supporting documents for settled contingent liabilities was not submitted <i>(ISS 73, CoA 34)</i>																	
Journals	Year-end journals not submitted for audit purposes <i>(ISS 141, CoA 79)</i>																	
Depreciation	Sufficient information not included in the asset register in order to reperform calculations, impacting on: <i>(ISS 129, CoA 71)</i>	Lack of supporting documentation	All completed work be reviewed and adjusted accordingly	Jun-18	Supply Chain Manager and CFO													
	- depreciation - accumulated depreciation																	
Employee costs	Various supporting evidence not contained in the employee files submitted for audit <i>(ISS 29, CoA 62)</i>	Lack of intenal control	Update the employee files	May-June 2018	Payroll Officer													
	Information on travel allowances not submitted <i>(ISS 36, CoA 21)</i>	Lack of intenal control	Provide the travell allowances that was not submitted and do intenal audit on the current financial year	May-June 2018	Payroll Officer													

Governance	AoPO: Late adoption of performance management system (PMS) and number of KPA's does not agree	No Proper Planning and improper monitoring implementation of planned activities	Include the review of policies/plans/strategies in the IDP/Budget	May-June 2018	MM OFFICE - IDP/PMS/Budget Manager													
			Process for approval end-May															
			Establish IDP/PMS/Budget Task Team, Adopt Schedule of activities, Implement scheduled plan	July-Aug 2018	MM OFFICE - IDP/PMS/Budget Manager/Internal Audit/Risk Management													
			Strategise all sector/master planning programs and align with national KPA's	Sept-Oct 2018	All Dept's													
		AoPO: Inconsistency in IDP and SDBIP	No proper linking and alignment between main strategic planning instruments	Include a section on Draft SDBIP, KPI's for projects in IDP ensuring streamline of activities between IDP and SDBIP	March - May 2018	MM OFFICE - IDP/PMS												
		AoPO - No documented Standard Operating Procedures (SOP) in place	Management did not establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities	Ensure all departments develop departmental plans, which MUST include development of SOP for all functions/activities	March - May 2018	All Dept's												
		AoPO: RFI 5 - Indications of which municipal targets in SDBIP are linked to National priorities	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	The review and development of SDBIP will include a link of KPI's with National/Provincial and District priorities to reflect alignment and consistency with Performance Regulations	March - May 2018	All Dept's												
	AoPO - Inconsistency between the SDBIP and the draft annual report	The inconsistencies occurred as a result of proper monitoring and reviewing processes not been performed with the compiling of the draft Annual Report.	Inclusive in the SDBIP/IDP should be reference for all KPI's ensuring that all/same number of KPI's are structured and reflected in both planning and reporting documents	May-June 2018	Office MM - IDP/PMS													
	ISS.159 - HR Compliance: Performance Evaluation for staff other than senior managers (CoA 91)	This occurred due to management not adhering to applicable laws and regulations.	Job Evaluation and Job Description processes must first be completed, The inclusion of line managers and supervisors have been prioritised for performance assessment into the 2018/19 FY	July-Aug 2019	PMS													

Governance	<p>Planning: Using the work if the internal audit Through evaluation of the internal audit unit of Ngwathe Local Municipality, no evidence could be provided to proof that an external quality assurance review/assessment was performed on the internal audit work program, during the past five financial years as required by IIA standard 1312.</p>	The cause of the above matter is due to lack of policies and procedure that will guide the internal audit on how to engage with and to appoint an external quality assessor.	The unit will ensure that external quality assurance review/assessment is budgeted for and conducted in 2018/19 financial year.	Jan-19	Chief Internal Auditor														
	<p>It was also noted that the quality control document was only approved by audit committee on 10 December 2016; therefore the internal audit work conducted prior to the approval of this document may not comply with quality control procedures.</p>	The cause of the above matter is due to lack of policies and procedure that will guide the internal audit on how to engage with and to appoint an external quality assessor.	The unit will ensure that the quality assurance & Improvement Programme is approved before the beginning of each financial year hence forth.	Jun-18	Chief Internal Auditor														
Governance	<p>Compliance: Audit Committee (ISS. 4) Through inspection of the minutes of meetings, it was confirmed that the Audit Committee submitted a Performance Management System Report on the 14th of December 2016 which constitutes non-compliance, as in terms of the requirements a report must be submitted at least twice a year.</p>	The matter occurred due to the fact that the audit committee did not ensure that they comply with all the applicable legislation	The unit will ensure that the audit committee comply with the relevant requirements hence (by regular reporting to council)	Mar-18	Chief Internal Auditor														
	<p>Through inspection of the minutes of both the Audit Committee and Council meetings, no supporting documentation could be obtained to substantiate that the Committee played any role in risk management and advised Council on the preparation, implementation and maintenance of a risk management strategy.</p>	The matter occurred due to the fact that the audit committee did not ensure that they comply with all the applicable legislation	The relevant office will ensure that the AC plays a role on risk management & advice Council on the preparation, implementation and maintenance of risk management strategy.	Mar-18	Chief Internal Auditor														
	<p>1. Compliance: Members of the audit committee did not declare their business and personal interests in meetings (ISS. 5) no evidence could be obtained to confirm that the audit committee members declared their business and financial interests at any of the meetings conducted during the year under review.</p>	The matter occurred due to controls not being in place to ensure compliance with all laws and regulations.	The unit will ensure that henceforth AC members declares their business and financial interest	Mar-18	Chief Internal Auditor														

1.3 AUDIT COMMITTEE REPORT

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE REPORTING PERIOD ENDED 30 JUNE 2017

1. INTRODUCTION

We are pleased to present our report for the financial year ended 30 June 2017, which covers the Audit Committee activities from July 2016 to June 2017.

2. LEGAL FRAMEWORK GOVERNING THE AUDIT COMMITTEE

(a) Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003 as amended) (MFMA) requires from each municipality to have an audit committee.

(b) In terms of section 166(2)(a) of the MFMA the audit committee is an independent advisory body which must “amongst others” advise the municipal council . . . on matters relating to –

- i. Internal financial controls and internal audits;
- ii. risk management;
- iii. accounting policies;
- iv. the adequacy, reliability and accuracy of financial reporting and information;
- v. performance management;
- vi. effective governance;
- vii. compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- viii. performance evaluation; and
- ix. any other issues referred to it by the municipality.

(C) In addition sections 166(2)(b), (c), (d) and (e) require from the committee to review the annual financial statements, respond to Council on any issues raised by the Auditor-General (South Africa) (**AGSA**) in the audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by the Council.

3. GOVERNANCE OF THE COMMITTEE

(a) All members of the Audit Committee are non-executive members and all meetings of the committee were held in accordance with the charter and process plan of the committee as approved by Council. The annually revised charter for the committee has been approved by Council. The Chief Audit Executive reports operationally to the Municipal Manager and functionally to the Audit Committee.

(b) The Audit Committee has executed its responsibilities in accordance with section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended).

(C) The term of the previous audit committee ended on the 31 January 2017. That audit committee was appointed by the previous council, and its term ran concurrently with the term of the previous council.

There was an extension of its appointment by the current council under the handover report from the previous council.

The previous audit committee has contributed much and positively to the better internal controls, financial administration, and risk management within the municipality. The audit committee members showed commitment over the years they have served this municipality; they have been always available to provide guidance and advice to management, council and the internal audit.

On the 20 January 2017, an advertisement for Audit Committee members was placed on Sowetan Newspaper (by Fezile Dabi District Municipality) with the closing date of the 28 February 2017.

To also maintain the institutional experience, two of the members of the previous Audit committee were retained to ensure continuity of the good work the previous committee members had executed.

The audit committee members from the previous committee are namely:-

- **Mr. Ernest Mohlahlo**

- A former Chief Financial Officer of Fezile Dabi District Municipality.
- Currently the Chief Financial Officer of Mangaung Municipality.

- **Mr. Makhale Mahlatsi**

- A former Municipal Manager of Ngwathe Municipality.
- Currently the Chief Executive Officer of Free State Provincial Treasury.

The prospective Audit Committee members based on the application received are:

- **Mr. GT Banda**

- From December 2012 to date he is the Chief Financial Officer of Setsoto Local Municipality.
- Is a former:
 - CEO of MAEMO Business Consulting.
 - Acting CFO (Mabana Arts, Culture and Sports Foundation).
 - Manager Supply Chain Management (Emfuleni Local Municipality and Sedibeng District Municipality).
 - Financial Analyst (Sentral Wes); and
 - Tax Auditor.

He also served as the Audit Committee Member of Sedibeng District Municipality.

▪ **Ms. N Modisaesi**

- Currently self-employed.
- From 2001 to 2016 she served as a councillor for Mangaung Municipality.
 - MMC Finance 2011-2016.
 - MMC Corporate Services 2009-2011.
 - MMC Public Safety 2006-2009.
 - MMC Health & Social Services 2004-2006; and
 - Ward Councillor 2001-2004.
- She is a former professional Nurse at Botshabelo Hospital.
- She also served as Provincial Deputy Chairperson of SALGA 2011-2016.

These prospective members were identified with a consideration to maintain clean audit. Since, the previous committee contributed a lot to the status quo of Ngwathe Local Municipality.

Audit Committee Members and Attendance:

All members of the Audit Committee are independent, with no interest in the management or conduct of the business of the Municipality.

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the reporting hereunder, the outgoing and the newly appointed audit committee held four (4) meetings and attendance was as follows:

OUTGONE AUDIT COMMITTEE			NEWLY ESTABLISHED AUDIT COMMITTEE		
Name of member	Appointment	Number of meetings attended	Name of member	Appointment	Number of meetings attended
Mr Mokhesi N	(Chairperson)	2 (Apologies - 0)	Mr Mohlahlo ME	(Chairperson)	2 (Apologies - 0)
Mr Mahlatsi MNG	Member	1 (Apologies - 1)	Mr Mahlatsi MNG	Member	1 (Apologies - 1)
Me Mogadime JV	Member	1 (Apologies - 1)	Me Medisaesi N	Member	1 (Apologies - 1)
Mr Mohlahlo ME	Member	1 (Apologies - 1)	Mr Banda G	Member	2 (Apologies - 0)
Total meetings held : 2			Total meetings held : 2		

4. THE EFFECTIVENESS OF INTERNAL CONTROLS

(a) Internal audit evaluated effectiveness of municipal system of internal controls following AGSA Methodology and using the tool provided by AGSA.

(b) Internal Audit reported system weaknesses and recommended corrective actions for management to address the deficiencies. Management partially implemented internal audit recommendations to enhance the system of internal controls to the acceptable level.

5. INTERNAL AUDIT

(a) The audit committee approved the Risk Based Annual Audit plan for the 2016/17 reporting period, and was given the assurance that every effort will be made by the Accounting Officer to have all the resources available to properly execute the plan.

The audit committee is satisfied that the internal audit cluster has during the period under review effectively focused its available resources towards identified critical risk areas in accordance with the approved Risk Based Annual Audit plan for 2016/17.

(b) All Internal audit activities were completed in-house in accordance with the approved Internal audit Charter and no compromise of the independence or objectivity of the function was observed throughout for the year under review.

(c) With Internal audit follow-up reports, the committee has noted with regrets that management has not fully implemented an appropriate tracking system in terms of which the various action plans by management to resolve the reported issues are tracked, managed and reported to the Audit Committee.

(d) The committee noted with regrets that management regressed in the percentage of audit findings Resolved.

(e) The committee also believes that internal audit has effectively carried out its mandate and responsibility in accordance with the MFMA and approved Internal audit Charter.

(f) One-on-one discussions with the Chief Audit Executive did not reveal any matters of concern.

6. RISK MANAGEMENT

(a) From the various reports received the Audit Committee is satisfied that the risk management processes were adequately designed although not effectively and efficiently implemented in some instances.

7. MATTERS OF CONCERN

The committee had engagements with management to discuss matters of concern raised by the

Auditor- General and the internal audit unit.

Audit Committee also entered into discussions with the Accounting Officer again to emphasize the critical need for enhanced revenue management initiatives in order to effectively address the cash flow challenges faced by the municipality.

The municipality needs to finalize the revenue management structure and capacitate it accordingly to enable increased revenue collections.

8. PERFORMANCE MANAGEMENT

- (a) The Audit Committee noted that Management has developed a performance management policy and procedure manual which was approved by Council.
- (b) The Chief Audit Executive in terms of the MFMA/MSA regulations on a quality basis audited the reported performance information. All system weaknesses reported were brought to the attention of the Accounting Officer.

9. AUDITOR-GENERAL (SA) AUDIT OPINION

- (a) The Shared Audit Committee concurs with the conclusions made by the Auditor General South Africa on the audit of the Annual Financial Statements for the 2016/17 financial year-end, which resulted in the Municipality regressing from unqualified audit opinion to qualification.
- (b) The committee reports that it is not pleased with the regression of the opinion, as it expected the municipality to maintain and retained the unqualified audit opinion.

APPRECIATION

In conclusion the Audit Committee expresses its appreciation towards the Accounting Officer and all other role players for the effective meetings the Audit Committee had.

E Mohlahlo

Chairperson of the Audit Committee

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1:2015/16

6.1 AUDITOR GENERAL REPORTS YEAR -1 (2015/16)

Auditor-General Report on Financial Performance: year – 1: 2015/16	
Auditor Report Status:	Auditor-General was engaged to audit the 2015-16 financial statements of Ngwathe Local Municipality, which comprise the statement of financial position as at 30 June 2016, the statements of financial performance, changes in net assets and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The municipality received unqualified audit opinion in 2015-16 financial year.
Auditor-General's responsibility	Was to express an opinion on the financial statements audited in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. AG's opinion on the audited financial statements was that "the financial statements present fairly, in all material respects, the financial position of Ngwathe Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Non-Compliance Issues	Remedial Action Taken
The report of the Auditor-General on the financial statements and other legal and regulatory requirements of Ngwathe local municipality for the year ended 30 June 2016 indicates that after auditing the 2015/16 financial statements and other legal and regulatory requirement, the AG's had other matters of concern detailed below:	The Municipality correct some of the prior period errors on the preparation of 2016-17 AFS.
Non-Compliance Issues	Remedial Action Taken
<p>The report of the Auditor-General on the financial statements and other legal and regulatory requirements of Ngwathe local municipality for the year ended 30 June 2016 indicates that after auditing the 2015/16 financial statements and other legal and regulatory requirement, the AG's had other matters of concern detailed below:</p> <p>1. EMPHASIS OF MATTERS</p> <p>As per the attached report, other matters of concern which forms part of the opinion were mainly due to shortcomings from the municipality's side in the following areas;</p>	

<p><u>Restatement of corresponding figures:</u></p>	
<p>As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2015-16 in the financial statements of the municipality at, and for the year ended, 30 June 2015.</p>	Corrected
<p><u>Material losses:</u></p> <p>As disclosed in note 50 to the financial statements, material electricity losses of R126 752 795 (2015: 64 106 909) were incurred by the municipality mainly due to electricity theft.</p>	None
<p><u>Material impairments:</u></p> <p>As disclosed in notes 10 and 11 to the financial statements, management provided for the impairment of consumer and other receivables of R566 444 475 (2015: 473 132 002).</p>	None - In progress of being corrected in 2017-18 FY
<p><u>Irregular expenditure:</u></p> <p>As disclosed in note 49 to the financial statements, the municipality incurred irregular expenditure of R60 200 348 (2015: 9 346 751) in 2015-16 due to non-compliance with supply chain management (SCM) requirements.</p>	In progress of being corrected (Section 32 Committee established to investigate the expenditure) in 2017-18 FY
<p><u>Fruitless and wasteful expenditure:</u></p> <p>As disclosed in note 48 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R74 252 491 (2015: 51 248 897) in 2015-16 due to interest and penalty charges on the late payment of suppliers.</p>	The municipality is in process of ensuring that cash flow is effectively managed
<p><u>Unauthorized expenditure:</u></p> <p>As disclosed in note 47 to the financial statements, the municipality incurred unauthorized expenditure of R177 095 143 (2015: 266 727 757) during 2015-16 due to expenditure that exceeded the limits provided for in the main divisions of the approved budget.</p>	None - To be fully addressed in 2017/18 FY, henceforth
<p><u>Going concern:</u></p> <p>Note 45 to the financial statements indicates that the municipality incurred a net loss of R141 836 468 during the year ended 30 June 2016 and, as of that date, the municipality's current liabilities exceeded its current assets by R714 672 259. In addition, the municipality owed Eskom R544 008 986 (2015: 386 211 700) and</p>	None - To be fully addressed in 2017/18 FY, henceforth

<p>the Department of Water Affairs R63 899 036 (2015: R50 086 403) as at 30 June 2016, which was long overdue. These conditions, along with other matters set forth in note 45, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.</p> <p>2. ADDITIONAL MATTER</p> <p>The AG's opinion on the financial statement is not modified in respect of the following matter.</p> <p><u>Unaudited disclosure notes:</u></p> <p>In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.</p> <p><u>Procurement and contract management:</u></p> <p>Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).</p> <p><u>Expenditure management:</u></p> <p>Reasonable steps were not taken to prevent unauthorized expenditure, as required by section 62(1)(d) of the MFMA.</p> <p>Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.</p> <p>Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.</p> <p>Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.</p> <p><u>Consequence management:</u></p> <p>Unauthorized expenditure by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.</p> <p>Irregular expenditure by the municipality was not investigated to determine whether any person was</p>	<p>None</p> <p>In progress of addressing the findings in 2017/18 FY</p> <p>In progress of addressing the findings in 2017/18 FY</p> <p>In progress of addressing the findings in 2017/18 FY</p>
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<p>liable for the expenditure, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulation 75(1).</p>	
<p>Fruitless and wasteful expenditure by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulation 75(1).</p> <p><u>Internal control:</u> I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.</p> <p><u>Leadership:</u> Leadership did not always take prompt and adequate action to address weaknesses in performance management, which resulted in non-compliance with applicable legislation. Management failed to properly analyse the control weaknesses and implement appropriate follow-up actions that adequately addressed the root cause.</p> <p><u>Financial and performance management:</u> Management did not implement proper record keeping and prepare regular, accurate and complete performance reports that were supported and evidenced by reliable information. This was due to the lack of competent from staff in performance information division. The municipality did not prioritise the review and monitoring of compliance with legislation, which resulted in repeat findings being reported. The financial statements were not properly reviewed for completeness and accuracy prior to submission for auditing. Audit findings communicated to the municipality during the audit were corrected by management, which resulted in material adjustments to the financial statements. Due to the lack of capacity, the finance division relied heavily on the use of consultants, which is not sustainable in the long term.</p> <p><u>Governance:</u> The municipality did not promptly initiate steps based on the risk assessment performed to address risks relating to the performance management system.</p>	<p>In progress of addressing the findings in 2017/18 FY</p> <p>In progress of addressing the findings in 2017/18 FY</p> <p>In progress of addressing the findings in 2017/18 FY</p> <p>In progress of addressing the findings in 2017/18 FY</p>

Auditor-General Report on Service Delivery Performance: Year 1: 2015/16

<p>Audit Report Status:</p>	<p>Report On Predetermined Objectives</p> <p>1. The following is a summary of our conclusions on the usefulness and reliability of the reported performance information:</p> <table border="1" data-bbox="542 436 1316 750"> <thead> <tr> <th data-bbox="542 436 790 571">Selected development priority</th> <th data-bbox="790 436 965 571">Usefulness</th> <th data-bbox="965 436 1316 571">Reliability</th> </tr> </thead> <tbody> <tr> <td data-bbox="542 571 790 750"><i>KPA 1: Basic Service Delivery and Infrastructure Development</i></td> <td data-bbox="790 571 965 750"><i>Adverse</i></td> <td data-bbox="965 571 1316 750"><i>Disclaimer</i></td> </tr> </tbody> </table>	Selected development priority	Usefulness	Reliability	<i>KPA 1: Basic Service Delivery and Infrastructure Development</i>	<i>Adverse</i>	<i>Disclaimer</i>
Selected development priority	Usefulness	Reliability					
<i>KPA 1: Basic Service Delivery and Infrastructure Development</i>	<i>Adverse</i>	<i>Disclaimer</i>					

Non-Compliance Issues **Remedial Action Taken**

<p>Predetermined objectives</p> <p><u>KPA 1: Basic Service Delivery And Infrastructure Development</u></p> <ul style="list-style-type: none"> - Basis for adverse conclusion on usefulness - Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPI. A total of 66% of the targets were not specific. - Performance targets should be measurable as required by the FMPPI. We could not measure the required performance for 83% of the targets. - Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 76% of the indicators were not well defined. 	<p>In progress of addressing the findings in 2017/18 FY</p>
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- The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 83% of the indicators were not verifiable.
- This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes and technical indicator descriptions.

Adverse conclusion on usefulness

- In AG's opinion, because of the significance of the matters described in the basis for adverse conclusion paragraphs, the reported performance information of KPA 1: Basic Service Delivery and Infrastructure Development presented in the annual performance report is not useful in accordance with the identified performance management and reporting framework.

Basis for disclaimer of conclusion on reliability

- The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. AG was unable to obtain the information and explanations we considered necessary to satisfy ourselves as to the

reliability of the reported performance information.

This was due to limitations placed on the scope of our work due to the absence of proper systems and processes and that the auditee could not provide sufficient appropriate evidence in support of the reported performance information. The auditee's records also did not permit the application of alternative audit procedures.

Disclaimer of conclusion on reliability

- Because of the significance of the matters described in the basis for disclaimer of conclusion paragraph, AG has not been able to obtain sufficient appropriate audit evidence to provide a basis for conclusion. Accordingly, we do not express a conclusion on the reliability of KPA 1: Basic Service Delivery and Infrastructure Development.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR – 2016/17

Report of the auditor-general to the Free State Provincial Legislature and the council on the Ngwathe Local Municipality

Report on the audit of the financial statements

1. I have audited the financial statements of the Ngwathe Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Ngwathe Local Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for qualified opinion

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence that the municipality had properly accounted for property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. Certain infrastructure assets and properties could not be traced to the municipality's fixed asset register, improvements were accounted for on vacant land and significant components of assets were not depreciated separately. In addition, I was unable to obtain supporting documentation for fixed asset additions. I was unable to confirm property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to property, plant and equipment stated as R792 186 856 in note 11 to the financial statements.

Investment property

4. I was unable to obtain sufficient appropriate audit evidence for investment property as the municipality did not maintain adequate supporting documentation relating to the ownership and locations of these properties. I was unable to confirm investment property by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to investment property stated as R116 519 727 in note 10 to the financial statements.

Payables from exchange transactions

5. I was unable to obtain sufficient appropriate audit evidence for an unexplained difference between the amount disclosed in the financial statements for trade payables and the supporting schedules. I was unable to confirm this difference by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to trade payables stated as R966 453 176 in note 16 to the financial statements.

Irregular expenditure

6. ~~The municipality did not disclose all instances of irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contraventions of the supply chain management (SCM) requirements, which were not disclosed. I was unable to determine the full extent of the understatement of irregular expenditure in note 52 to the financial statements, as it was impracticable to do so.~~

Service charges

7. The municipality did not account for revenue from service charges in accordance with GRAP 9, Revenue from exchange transactions. The municipality did not have adequate systems to account for flat rates where electricity meters were broken. I was unable to confirm the sale of electricity by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the sale of electricity stated as

R146 091 861 in note 22 to the financial statements.

Depreciation

8. I was unable to obtain sufficient appropriate audit evidence that depreciation for the year under review has been properly accounted for, due to the unavailability of information in the municipality's fixed asset register. I was unable to confirm depreciation by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to depreciation stated as R66 234 822 in note 32 to the financial statements.

Government grants and subsidies

9. The municipality did not account for government grants received in-kind, as required by GRAP 23, Revenue from non-exchange transactions. Consequently, government grants and subsidies stated as R236 594 300 in note 29 to the financial statements was understated by R23 993 000. Additionally, there was a resultant impact on property, plant and equipment, unspent conditional grants, deficit for the period and the accumulated deficit.

Bad debts written off

10. I was unable to obtain sufficient appropriate audit evidence for a difference of R32 374 866 between the council's approval and the amount written-off. I was unable to confirm bad debt written off by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to bad debts written off stated as R173 235 102 in the statement of financial performance.

Context for the opinion

11. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this report.

12. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Material uncertainty relating to going concern

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

15. ~~Note 48 to the financial statements indicates that the municipality incurred a net loss of R191 652 221 during the year ended 30 June 2017 and, as of that date, the municipality's current liabilities exceeded its current assets by R927 740 342. In addition, included in trade payables in note 16 are amounts owed to Eskom of R758 940 364 (2016:~~

R455 949 473) and the water board of R86 587 268 (2016: R60 748 102) which are long overdue. These conditions, along with other matters as set forth in note 48, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.

Emphasis of matters

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

Restatement of corresponding figures

17. As disclosed in notes 45 and 46 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Unauthorised expenditure

18. As disclosed in note 50 to the financial statements, unauthorised expenditure of R79 673 244 (2016: R177 095 143) was incurred due to overspending of the municipality's budget.

Irregular expenditure

19. As disclosed in note 52 to the financial statements, irregular expenditure of R102 412 393 (2016: R60 200 348) was incurred due to non-compliance with SCM requirements.

Fruitless and wasteful expenditure

20. As disclosed in note 51 to the financial statements, fruitless and wasteful expenditure of R103 497 839 (2016: R74 252 491) was incurred due to interest and penalty charges on late payments.

Material losses

21. As disclosed in note 53 to the financial statements, material electricity losses to the amount of R86 568 467 (2016: R126 752 795) was incurred which represents 62% (2016: 52%) of total electricity purchased.

22. As disclosed in note 53 to the financial statements, material water losses of R59 721 748 was incurred, which represents 54% of total water purchased.

Material impairments

23. As disclosed in note 6 to the financial statements, receivables from exchange and receivables from non-exchange transactions were impaired by R504 826 837 (2016: R566 444 474).

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

26. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

27. In preparing the financial statements, the accounting officer is responsible for assessing the Ngwathe Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

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

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

29. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

30. I was unable to audit and report on the usefulness and reliability of the performance information as the annual performance report of the municipality was not prepared as required by section 46 of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (Municipal Systems Act) and section 121(3)(c) of the MFMA.

Report on the audit of compliance with legislation

Introduction and scope

31. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

32. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements and annual reports

33. The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and

supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

34. The annual financial statements were not submitted for auditing within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

35. The annual performance report for the year under review did not include the performance of the municipality, a comparison with the previous financial year and measures taken to improve performance, as required by section 46(1)(a),(b) & (c) of the Municipal Systems Act.

36. The council failed to adopt an oversight report containing the council's comments on the annual report within the prescribed timelines, as required by section 129(1) of the MFMA.

Expenditure management

37. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

38. Effective steps were not taken to prevent irregular expenditure of R102 412 393 as disclosed in note 52 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM requirements.

39. Effective steps were not taken to prevent fruitless and wasteful expenditure of R103 497 839 as disclosed in note 51 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on late payments.

Budget management

40. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The majority of the disclosed unauthorised expenditure was caused by the overspending of the approved budgets within the main divisions of the vote.

Asset management

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

Procurement and contract management

42. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).

43. Some of the quotations were accepted from bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the previous year.

44. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

45. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the previous year.

46. Some quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) and its regulations.

47. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) and qualified for the contract in accordance with section 18(1) of the CIDB Act of South Africa, 2000 (Act No. 38 of 2000) and CIDB regulations 17 and 25(7A).

48. Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.

49. The performance of some of the contractors and providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

50. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA.

Human resource management

51. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act.

Strategic planning

52. The service delivery and budget implementation plan for the year under review was not approved by the mayor, as required by section 53(1)(c)(ii) of the MFMA.

53. Key performance indicators were not set for the provision of basic sanitation services, as required by section 43(2) of the Municipal Systems Act and municipal planning and performance management regulation 10(a).

54. A performance management system was not timeously adopted, as required by section 38(a) of the Municipal Systems Act and municipal planning and performance management regulation 8.

Consequences management

55. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.

56. Irregular expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

57. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Revenue management

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

Other information

59. The Ngwathe Local Municipality's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.

60. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

61. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

62. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

Internal control deficiencies

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

64. Management did not address the shortcomings within the internal control environment relating to financial reporting. Reliance was placed on consultants to perform year-end accounting work and the compilation of the financial statements; however, not all these shortcomings were addressed due to the late appointment of the consultants.

65. Management did not prioritise reporting on performance information, as the performance report was compiled late and not submitted for auditing within the agreed-upon timelines. Management also did not compile an action plan to address the matters reported in the previous years relating to the report on performance information.

66. Management also did not prioritise the review and monitoring of compliance with legislation. The position of the SCM manager was vacant for several years with an appointment only made subsequent to year-end, which resulted in repeat findings being raised. This was due to a lack of consequence management as officials were not held accountable for non-compliance.

67. Weaknesses in the processes and controls pertaining to asset management were not adequately addressed. The lack of regular monitoring and reconciliation of asset information resulted in the asset register not being reliable. These weaknesses gave rise to material misstatements in the annual financial statements.

Auditor-General

Bloemfontein

26 January 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:

identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ngwathe Local Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	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.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	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.
Integrated Development Plan (IDP) Plan	Set out municipal goals and development plans.
National performance areas Key	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation

Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	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 EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	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.
Service Delivery Budget Implementation Plan	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.
Vote:	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. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>