

VICTOR KHANYE LOCAL MUNICIPALITY



2017/18

ANNUAL REPORT

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	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)	Set out municipal goals and development plans.
National Key performance areas	<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 EPMDS 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:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><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></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

MAYOR’S FOREWORD

Message from the EXECUTIVE MAYOR

As per the legislative requirement and the fulfilment of the principles of democracy, we present this annual report as a yardstick for all our stakeholders to hold us accountable for the financial year 2017/2018. The Batho Pele principles that are engraved in the White Paper on the Transformation of the Public Service states that there should be transparency and accountability in the Public Service, and our institution is not immune to those principles.

The outcomes of our performance in the above mention financial year is as a result of dedicated and instrumental role players that contributed to the said outcomes among others being the COGTA in the province for their continuous technical support, the oversight and monitoring role played by both the National and provincial Treasury, the legislation role of Council, and the administrative role of the human capital of the municipality who works tirelessly to ensure that the municipality fulfil its constitutional objectives of delivering sustainable services to the people, providing the health and safety environment for all the residents within the vicinity of Victor Khanye Local Municipality while promoting economic growth and being accountable and democratic in nature.

This reports it’s a valuation of how far we have gone in implementing the desires and aspirations of the citizens as raised in the Integrated Development Plan consultative meetings that were held throughout the wards. Due to limited financial resources not all projects and programmes have been implemented in this financial year, but priorities as per the submissions and the available financial resources were made and some of the projects will be prioritised in the coming financial years.

We also appreciate the support and commitments by the businesses around our time in implementing some service delivery projects in partnership with the municipality with the view of bettering the lives of our people, indeed “together we can do more”.

We have seen a lot of changes in the administration of the municipality with the departure of the then Municipal Manager and other senior managers of the municipality, but as said before, we commend the sterling work that has been done by our administrative staff in steering the sheep towards the right direction. We note the Auditor General’s reports which we shall use as a directive to improve the way we do things and hopefully we will improve the audit outcomes in this financial for the better.

We would also love to indicate that this a true reflection of our efforts as a collective in trying to better the lives of our people in general, blacks in particular. We also want to register that accountability is of paramount important and we shall receive all criticism with regard to what we are reporting on with a good heart and we always strive to fulfil all the legislative and good governance principles in what we do. We also want to forward words of gratitude to all our voters for borrowing us this opportunity to govern your resources and this astute institution of government and e shall continuously be accountable to you, and from time to time give feedback on how far we have gone in implementing the mandate you have given us, and without failure we will always indicate our short comings and the challenges we are facing in implementing some of the things that you have mandated us to do.

EXECUTIVE SUMMARY

1.1. STATEMENT BY THE MUNICIPAL MANAGER

The year 2017/18 in the office of the Municipal Manager of Victor Khanye Local Municipality has proved very busy and challenging, yet also highly rewarding. As this 2017/18 annual report shows, the municipality has made steady and consistent progress towards realising its vision to make Victor Khanye municipality a municipality that enables economic growth and job creation, and to be a clean run administration that delivers quality services to all its people.

As expected, delivering on our vision requires the focused use of resources, ranging from the council's own funds and ongoing investment by those who recognise Victor Kanye's growth potential, to the hard work of our talented and dedicated municipal employees, managers and Directors.

This 2017/18 annual report offers an overview of the work and investment for the past financial year, of the positive outcomes that the municipality has delivered. Council is fully committed to improved service delivery, despite the achievements of the past and challenges faced. These challenges include the fact that despite a steady improvement in the regularity audit outcomes the municipality still finds itself with a qualified audit opinion. In the year the municipality was able to appoint a well-rounded, qualified and highly experienced director of Social Services. Furthermore the municipality finds it difficult to fill some of the director positions such as that of the Municipal Manager and Director Technical services

The municipality is committed to its mission of providing quality and sustainable services to the diverse community in a responsive and efficient way for optimum economic growth in order to enhance prosperity. Inspired by desire to be positioned on the global map of attractive cities resulting in a positive impact on investment, jobs, inhabitants, visitors and events through quality service provision.

The municipality in the year to follow will prioritise matters raised by the AGSA, the top 5 risks as identified through the risk management processes and increasing revenue to make sure that the municipality will be able to deliver on its mission and vision as highlighted below.

VISION AND MISSION

OF

VICTOR KHANYE LOCAL MUNICIPALITY

Our Vision

“A Prosperous Mpumalanga western gateway city for a cohesive developed community”

Our Mission

To provide quality and sustainable services to the diverse community in a responsive and efficient way for optimum economic growth in order to enhance prosperity

Inspired by desire to be positioned on the global map of attractive cities resulting in a positive impact on investment, jobs, inhabitants, visitors and events through quality service provision.

Our Values

- ***Integrity***
- ***Professionalism***
- ***Resilience***
- ***Openness***
- ***Impact and Outcomes***

The IDP review process identified a number of goals and objectives that are aimed at creating a pathway for the municipality to realise its vision. These goals and objectives are aligned to the six Local Government Key Performance Areas as prescribed by the National Department of Cooperative Governance and Traditional Affairs. The goals and objectives are also aligned to the strategic thrusts as identified by the political leadership of the Municipality. The strategic thrusts are the spring board upon which the goals and objectives were developed.

Our Thrust



In line with KPAs and strategic thrusts of the Victor Khanye Local Municipality, the goals are summarised below and briefly discussed:

Goal 1: Improved provision of basic services to the residents of Victor Khanye Local Municipality - this goal addresses the programmes and projects that will be implemented to improve basic service delivery.

Goal 2: Improved social protection and education outcomes - this goal addresses the programmes and projects that will be implemented to improve provision of social services to vulnerable citizens of Victor Khanye Local Municipality;

Goal 3: Improved Compliance to MFMA and Victor Khanye Local Municipality Policy Framework

Goal 4: Improved efficiency and effective of the Municipal Administration

Goal 5: Improve community confidence in the system of local government

Goal 6: Increase regularisation of built environment

Goal 7: Increased economic activity and job creation

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Introduction

The Victor Khanye Local Municipality (herein after referred to as the Municipality) is situated on the Western Highveld of Mpumalanga Province, covering a geographic area of approximately 1,567 square kilometres.

According to Census 2011, the population of Victor Khanye Local Municipality has grown significantly since 2001 increasing from 56,335 to 75,452 (Census, 2011), however the Stats SA Community Survey 2016 also reflects a population of 84,151 which represent a growth rate of 2.3% between 2011 and 2016. The highest population density occurs in the core urban area of Delmas and Botleng, with the rural wards recording the lowest in terms of spatial distribution, Wards 3, 7 and 9 have the highest population numbers accounting for 50% of the total population.

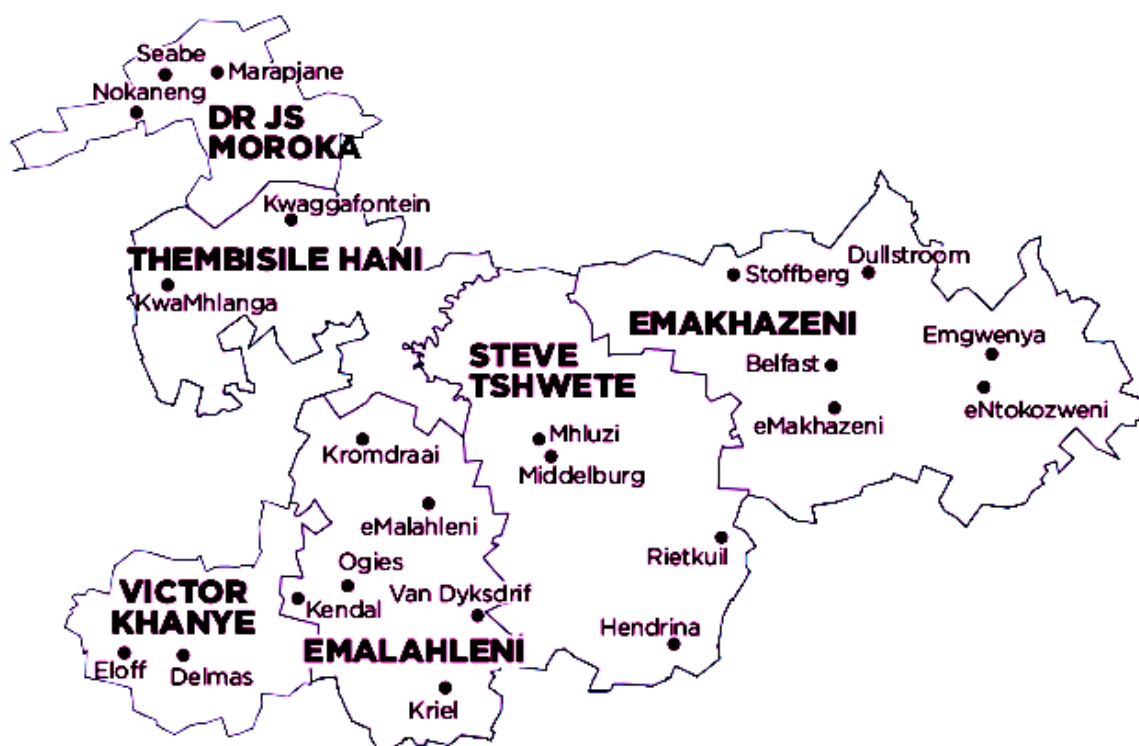


Figure 1: District Locality Map

Population Details

	2016	2011
Population	84 151	75 452
Age Structure		
Population under 15	27.5%	28.2%

	2016	2011
Population 15 to 64	68.7%	67.1%
Population over 65	3.9%	4.7%
Population Growth		
Per annum	2.48%	5.2%
Labour Market		
Unemployment rate (official)	n/a	28.2%
Youth unemployment rate (official) 15-34	n/a	35.8%
Education (aged 20 +)		
No schooling	10.7%	11.8%
Matric	26.0%	26.7%
Higher education	5.4%	7.7%
Household Dynamics		
Households	24 270	20 548
Average household size	3.5	3.6
Female headed households	30.9%	30.2%
Formal dwellings	83.2%	79.3%
Housing owned	61.4%	53.7%
Household Services		

	2016	2011
Flush toilet connected to sewerage	76.7%	70.6%
Weekly refuse removal	69.1%	73.7%
Piped water inside dwelling	54.4%	48.4%
Electricity for lighting	91.0%	84.9%

Table: 1 Demographic Information

The Victor Khanye Local Municipality Gross Domestic Product (GDP) is forecast to grow by 3.4% per annum up to 2018, although this is lower than the District and Province projections. The forecast is very optimistic if we consider that the historic growth rate in the period 1996-2011 remained relatively low at 2.0% per annum. The municipality has also recorded the unemployment rate of 28.2%, where youth and women unemployment remains the major challenge which is sitting at 35.8% and 37.9%, respectively, below the Mpumalanga provincial rate.

1996	2001	2007	2011	2016
53 203	56 335	50455	75452	84 151

Table: 2 Population of Victor Khanye Local Municipality

WARD	POPULATION	SQUARE KILOMETRE	PEOPLE PER SQUARE KM
Ward 1	6231	1,4	4469,6
Ward 2	5745	5	1140,1
Ward 3	12765	45,4	281,1
Ward 4	6023	0,728	8275,2
Ward 5	7469	1,6	4650,1
Ward 6	6525	3,7	1741,9
Ward 7	10230	824,7	12,4
Ward 8	7172	62,5	114,8

Ward 9	13292	644,9	20,6
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Table 3: Population of Victor Khanye Local Municipality Per Ward

Africans	72106
Coloured's	417
Indians	75
Whites	11552

Table 4: Population group per ethnic group (Stats SA 2016)

Major Natural Resource	Relevance to Community
Coal	Mining opportunities, employment opportunities, secondary employment for transport sector and electricity generation
Silica	Mining opportunities, employment opportunities, secondary employment for glass and other products
Quarry	Mining opportunities, employment opportunities, secondary employment for construction industry

Table 5: Natural Resources

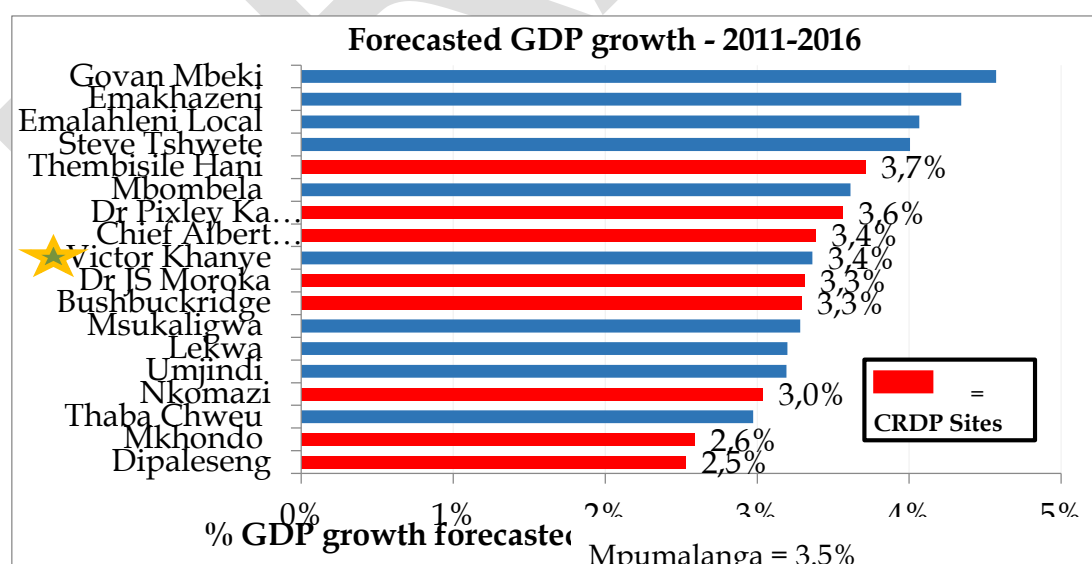


Figure 2: Gross Domestic Product (GDP) forecast

The Municipal Council prides itself with its proper separation of powers both political and executive authorities. The Executive Mayor is supported by three (3) Members of the Mayoral Committee. The Speaker is responsible for councillor's affairs and the chairing of Council. Council Whip is responsible for the maintenance of rules and order of all councillors and the building of relationships amongst all councillors. Section 79 Committees including MPAC are chaired by non-executive councillors with sole mandate of performing oversight towards the Members of the Mayoral Committee.

The Municipal Manager as the head of administration, supported by Executive Directors is responsible for the implementation of policies, council resolutions and the IDP. The IDP was adopted after an intensive consultation with communities and other stakeholders. This led to proper alignment with all priority directives from the National Development Plan, the Provincial Growth and Development Strategy and the District IDP Framework.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

As Victor Khanye Local Municipality strives to ensure service delivery to its most vulnerable residents, it provides consumers with free services in the form **six kilolitres of water**, and **fifty kilowatts of electricity** to all residence. Furthermore indigent households are provided with in terms of the municipal policy free rates, refuse, sewerage, water and electricity depending on their indigent status. The current levels of service delivery are expressed in the following table.

Service	Percentage
Electricity service connections	88%
Water - available within 200 m from dwelling	86%
Sanitation - Households with access to a toilet	89%
Waste collection - dustbin collection once a week	85%

Table 6: Service Delivery Levels (Proportion of Households with minimum level of Basic services)

COMMENT ON ACCESS TO BASIC SERVICES

The municipality has year on year improved the provision of basic service as illustrated in the sanitation projects in the rural communities and increased numbers of serviced stand just to mention a few. Despite all the good work done, Victor Khanye Local Municipality experiences a three way challenge namely exponential population growth, aging infrastructure and budgetary constraints.

1.4. FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

The operational budget indicates an expenditure level of 82.6%. it be should be taken note that the budget was compiled on the assumption that the payment rate will be 85%.

In respect of council's employee cost expenditure is at 83.5% of the Year-to-date (YTD) budgeted amount. In respect of Councillor Allowances, the expenditure is at 41.3%. Council's travelling costs is at 92.6% of the Year-to-date (YTD), the cost containment measures should be adhered to in order to reduce the travelling costs.

With reference to council's overall cash flow situation it can be reported that it is managed carefully to ensure financial viability. Council is grant dependent and expenditure has to be strict monitored. The cash flow analysis for the twelve month reflects that Council will not be in the position to fulfil its obligations, this have resulted in non-payment of creditors such as Eskom and Rand water. The cash flow has reached critical levels due to the over spending that occurred during the financial year, it could result in fruitless and wasteful expenditure being incurred due to insufficient cash flow to pay creditors on time. (Eskom Amount: R68 Million; Rand Water Amount: R64 Million).

Debtor's payment rate is at 56% for June 2018. Sufficient provision was made for debt impairment, however additional controls need to be implemented. During the month under review R28.2 million rand was levied whilst R15.9 million rand was received. The biggest portion of council's debtor's balance is older than 120 days. Council total debt is **R543 665 954** Million when compare to the payment of **R15 932 967** for the month of June only **2.9%** is collected from the total debt.

Capital expenditure as at June 2018 was at 85%.

The cashbook balance (cash on hand) at month-end was R12.2 Million rand which includes the Equitable Share and other Grants that were received in 2018.

The contents of paragraph 3 should be noted and the decreased balance from R16.5 Million rand to R12.2 Million rand. It is advised that **cost containment measures** be adhered to as per budget Circular 58,66,70,72,74,75,79,82 and Council resolution No: A028/10/2016 to ensure the financial viability and sustainability of the municipality.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The key challenge that the municipality has is the attraction and retention of skills of Senior Management or Section 54/56. However the municipality has been able to fill one of the three vacant critical posts, namely Director: Social Service leaving vacant the position of Director Technical Services, and Municipal Manager.

The filling of vacancies has been prioritised to improve the vacancy rate while the overall cost on the Operational Budget (OPEX) is being monitored closely to ensure that it does not exceed prescripts and/or have a negative effect of service delivery funding.

VICTOR KHANYE: MP 311				
DIRECTORATE	TOTAL Posts	# Filled	Vacant	
			Budgeted	Not Budgeted
Office of the Municipal Manager	36	23	13	0
Corporate Services	40	29	11	0
Budget & Treasury	69	51	18	0
Social Services	181	134	47	0
Technical Services	183	144	39	0
Total	509	381	128	0

Table 7: Status quo analysis of organogram

1.6. AUDITOR GENERAL REPORT

The municipality unfortunately received a qualified audit opinion in the 2017/18 financial year. The basis for the qualified opinion has reduced from six to three as compared to the previous two years namely:

- Value-added tax (VAT) receivables
- Payables from exchange transactions
- Cash flow statement.

This shows a marginal improvement in the municipality's willingness and ability to account for its activities during the financial year.

1.7. STATUTORY ANNUAL REPORT PROCESS

Annual Report Process

	Legislation Guidance	Role Player	
Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period.	MSA S41(1)(e)	MM Assisted by other S56 Managers & the CFO	July
Implementation and monitoring of approved Budget and IDP through SDBIP. S72 financial reports & finalization of Council resolutions	MSA S41(1)(e)	MM Assisted by the CFO other S56 Managers	July
Finalise 4th quarter report of previous financial year	MFMA S52(d)	MM Assisted by other S56 Managers & CFO	July
Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information ¹ .	Submission of annual financial statements as per section	MM & CFO	JULY

	<p>126(1) of the MFMA. Additional step, a draft Annual Report is prepared.</p> <p>Annual Performance report needs to be included as per section 46 of the MSA.</p>		
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO	July/August
Combined Audit/Performance Committee considers unaudited Annual Report of municipality and entities (where relevant).	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	Audit and Performance Audit Committee	August
Mayor tables the draft (unaudited) Annual Report in Council.	<p>The Annual Report submitted complies with the requirements of Section 121(3)(a-k). Information on pre-determined objectives to be included.</p> <p>Note that it is unaudited and will not include any of the Auditor-</p>	Mayor	August

	<p>Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated draft Annual Report by September)</p>		
<p>Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into.</p>	<p>The Annual Report submitted complies with the requirements of Section 121(3)(a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated draft Annual Report by September)</p>	CFO	August

<p>Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity.</p>	<p>If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.</p>	Council	
<p>Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information.</p>	<p>If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.</p>	Council	August
<p>Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.</p>	<p>Section 126(3)(b) require the Auditor-General to submit an audit report within three months after receipt of</p>	Auditor-General	November for municipalities without entities & December for municipalities with entities

	statements from the municipality.		
Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process.	Section 127,128,129 and 130	Council	September November
The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	MM	November/ December
Mayor tables audited Annual Report and financial statements to Council.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	Mayor	November/ December
Audited Annual Report is made public, e.g. posted on municipality's website.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	Communications Accounting officer	November/ December
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial	Oversight Committee	November/ December

	year. Section 75 for publication on website.		
Council adopts Oversight report.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	December
Oversight report is made public.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	MM	December
Oversight report is made public.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Mayor	December
Oversight report is submitted to Legislators, Treasuries and CoGTA.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Mayor	December

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Table8 : Statutory Annual Report Process

CHAPTER 2 – GOVERNANCE

This section provides an overview of the framework of institutional management and governance structures through which the city implements its strategies, using the appropriate resources.

The following key aspects are reported on:

- Political Governance
- Administrative governance
- Intergovernmental relations
- Public Accountability and participation
- Corporate governance

COMPONENT A: GOVERNANCE STRUCTURES

2.1 POLITICAL GOVERNANCE

How political decisions are taken:

Composition of Council

Council is composed of 17 Councillors, Nine (09) Ward Councillors and Eight (08) Proportional Representation Councillors, the Council is operated on an Executive Mayoral System of governance. Eleven (11) of the said Councillors are members of the ANC which is the majority party, Four (04) DA Councillors and Two (02) EFF Councillors. The following Councillors are full – time as per the Section 12 notice, namely, the Executive Mayor, the Speaker, the Council Whip as well as the three (03) Members of the Mayoral Committee.

Section 79/80 Committees

Council has established the following Section 79 Committees chaired by Non – Executive Members/ Councillors and each of the Members Mayoral Committee sit in these portfolio committees, the said portfolio committees then report to the Executive Mayor through the Mayoral Committee, and the Executive Mayor then reports to Council. The Town Planning items which are itemised as items “B” are delegated to the Mayoral Committee and they are therefore resolved at the Mayoral Committee level. The Portfolio Committees are constituted as indicated below:

☐ **Planning, Infrastructure, Transport and Safety Portfolio Committee**

1. Councillor LS Nyathi (Chairperson)
2. Councillor Bath DJ
3. Councillor Buda KV
4. Councillor Masilela EM
5. Councillor Smith A

☐ **Finance and Corporate Services Portfolio Committee**

1. Councillor Malomane TG (Chairperson)
2. Councillor Ngoma HM
3. Councillor Makobolo JD

4. Councillor Johnson NE
5. Councillor Sekhukhune EM

Health & Social Services and Development Portfolio Committee

1. Councillor Semake LK (Chairperson)
2. Councillor Thombeni MM MM
3. Councillor Yeko BD
4. Councillor Rautenbach M
5. Councillor Johnson NE

□ Budget Steering Committee

1. Executive Mayor, Councillor Makhabane EN (Chairperson)
2. Councillor Malomane TG
3. Councillor Masilela EM
4. Councillor Makobolo JD
5. Councillor Ngoma HM
6. Councillor Smith A

• Geographic Names Change Committee

1. Councillor Yeko BD (Chairperson)
2. Councillor Buda KV
3. Councillor Thombeni MM
4. Councillor Makobolo JD
5. Councillor Johnson NE
6. Councillor Segone RK (Ex-officio)

• Local Labour Forum

1. Councillor Masilela ME (Chairperson)
2. Councillor Nyathi LS
3. Councillor Sekhukhune EM
4. Councillor Thumbathi SS
5. Councillor Smith A
6. Councillor Segone RK (Ex-officio)

• Rules and Ethics

1. Councillor Segone RK ; Speaker (Chairperson)
2. Councillor Buda KV
3. Councillor Bath DJ
4. Councillor Ngoma HM
5. Councillor Rautenbach M
6. Councillor Johnson NE

• Municipal Public Accounts Committee

1. Councillor Sekhukhune EM (Chairperson)
2. Councillor Thumbathi SS
3. Councillor Thombeni MM
4. Councillor Bath DJ
5. Councillor Semake LK
6. Councillor Nyathi LS
7. Councillor Malomane TG
8. Councillor Smith A

• Policy Development Committee

1. Councillor Thombeni MM (Chairperson)
2. Councillor Yeko BD
3. Councillor Semake LK

4. Executive Mayor, Councillor Makhabane EN
5. Councillor Smith A
6. Councillor Rautenbach M
7. Councillor Bath DJ
8. Councillor Segone RK; Speaker (Ex-officio)

Audit Committee

The Municipality uses a shared Audit Committee service appointed by Nkangala District Municipality. This Audit Committee advises the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to—

- internal financial control and internal audits;
- risk management;
- accounting policies;

Risk Management, Anti – Fraud and Anti - Corruption Committee

The Committee is chaired by an independent person appointed by Nkangala District Municipality and the committee reports to the Audit Committee. The committee looks into all municipal matters pertaining

to the risk management, anti – fraud and anti – corruption; and all the mitigating strategies relevant to them.

SPLUMA

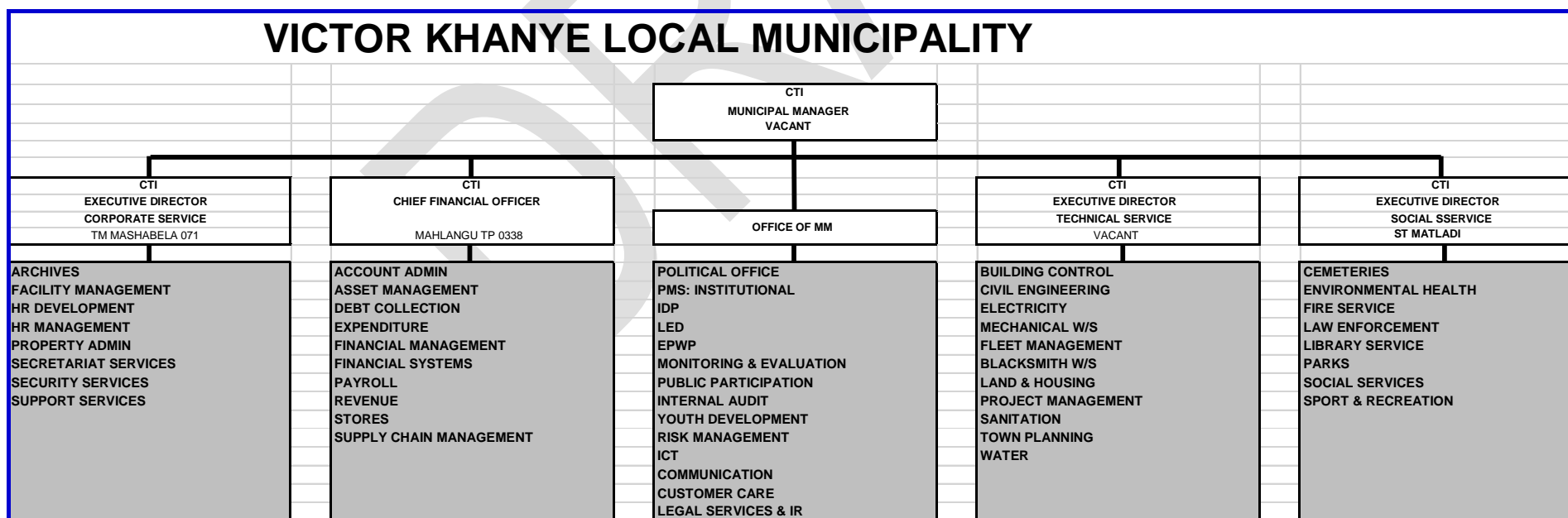
This is a shared service committee with the Nkangala District Municipality, the Victor Khanye Local Municipality has nominated two members, namely; The Manager Corporate Services and the Deputy Manager Technical Services. The committee addresses and is delegated to deal with spatial development and town planning matters.

2.2 ADMINISTRATIVE GOVERNANCE

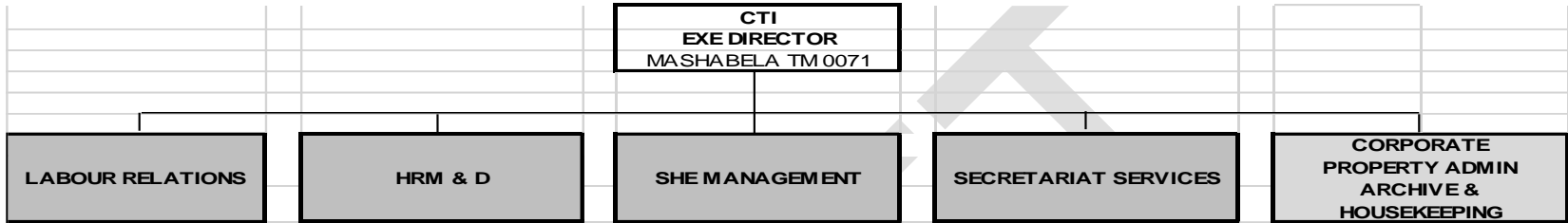
INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

During the financial year under review the organizational structure that was adopted by Council constituted the following directorates namely; the Office of the Municipal Manager, Budget and Treasury Office, Social Services, Corporate Services as well as Technical Services.

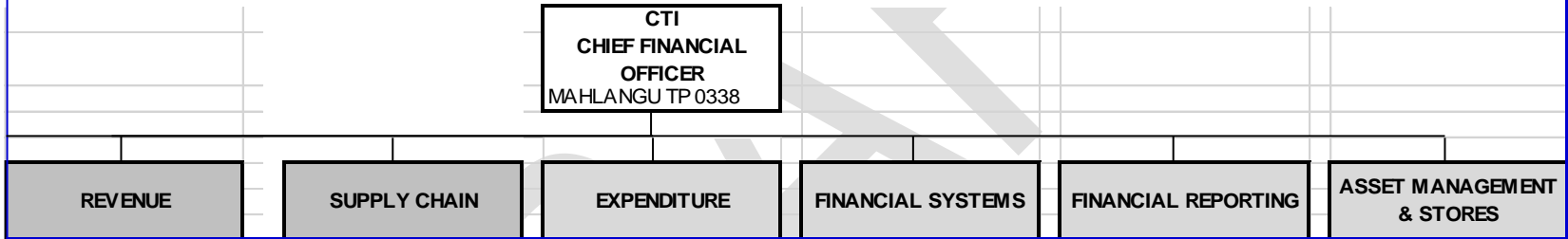
ADMINISTRATIVE OFFICIALS



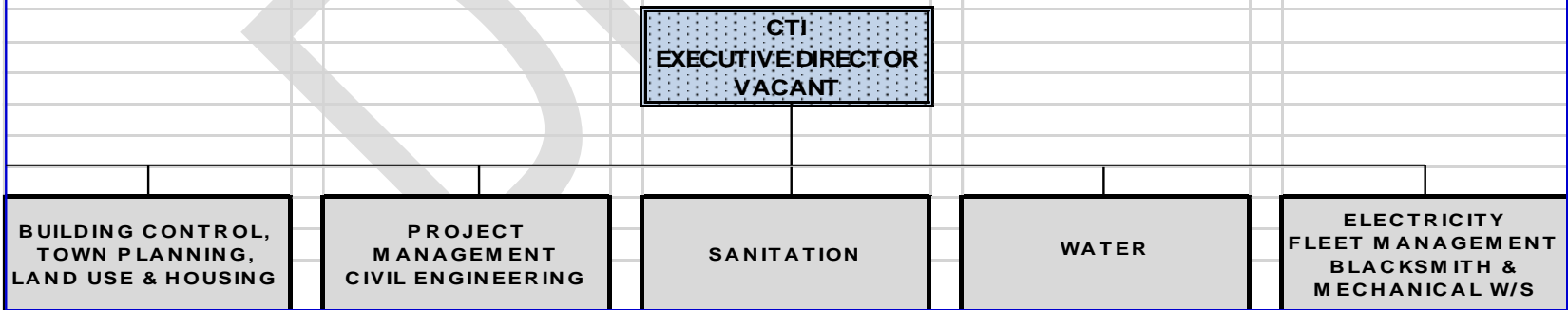
CORPORATE SERVICES

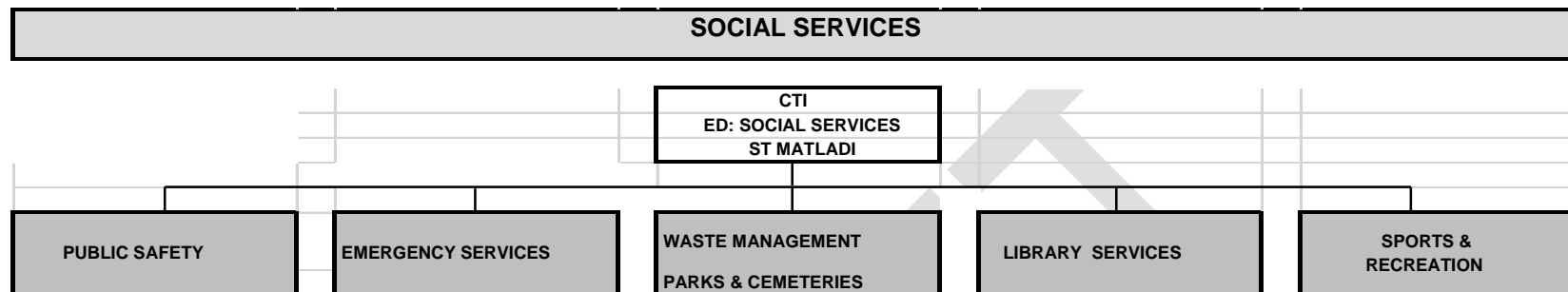


BUDGET & TREASURY



TECHNICAL SERVICES





COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The municipality is taking advantage of the established platforms created to foster relationship between all three spheres of government. The overall aim for consultation with various interest groups and all other key stakeholders is to:

- Create a platform for dialogue where all stakeholders would discuss and agree on the development route.
- Ensure that all key sectorial issues are well reflected in the IDP;
- Ensure that all projects and programmes of all key stakeholders are well captured within the IDP;

STAKEHOLDER FORUM

The Municipality has established A NUMBER of Fora to enhance relationship and interaction between all its stakeholders. Most of them are chaired by the Executive Mayor and meets, at least, once in a quarter. To mention but a few:

- Intergovernmental Forum; between the Municipality and local sector departments, three spheres of government.
- LED/IDP Forum; between the Municipality and local development stakeholders.
- Local Aids Council; between the Municipality and local health stakeholders

DISTRICT INTERGOVERNMENTAL STRUCTURES

Section 24 of the Intergovernmental Relations Framework Act, 2005 establishes a District intergovernmental forum to promote and facilitate sound relations between District and Local municipalities. This forum is chaired by the District mayor and serves as a consultative forum to discuss matters of common interest. At district level the following are structures in which the municipality participate:

- Nkangala District Municipality Speakers Forum;
- Nkangala District Municipality Mayoral Forum;
- Nkangala District Municipality Managers Forum;
- Nkangala District Municipality LED/IDP Forum;
- Nkangala District Municipality IDP Working Groups

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Section 16 of the Intergovernmental Relations Framework Act, 2005 establishes the Premier's intergovernmental forum to promote and facilitate sound relations between the Province and Local municipalities. The municipality also participates in provincial structures mentioned below:

- Premier's Coordinating Forum;
- Provincial Management Committee
- MunMec

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Municipal Systems Act, Chapter 4 (17) (2): A municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality, and must for this purpose provide for - (c) *public meetings and hearings by the municipal council and other political structures and political office bearers of the municipality, when appropriate;* (d) *consultative sessions with locally recognised community organisations and, where appropriate, traditional authorities;* and (e) *report-back to the local community.*

The following is done by the municipality to ensure widespread and conducive stakeholder participation and accountability:

- Media such as the local and national newspapers, ward community meetings, bulk sms system, municipal bills, schedule of events etc. are utilised to inform communities and stakeholders on Council's activities.
- All messages/information is conveyed in a language/s understood by the general community.
- The venues and times for public meetings are well communicated. Furthermore, the municipality ensures that meetings are held at such times that all stakeholders can attend.
- Adequate time is allowed to community, representatives of organizations and business to report back to their relevant forums and make inputs.
- Council meetings are open to the public and residents are invited to attend. Important documents such as IDP, Budget, Valuation roll etc. are available at all public libraries within the municipal area.
- Ward committee and ward community bi-monthly meetings are convened and serve as a platform for interaction, engagement and sharing of information.
- Various forums exist on local, district and provincial level.

- A minimum of 6 Mayoral outreaches were held during the year throughout the municipal area.
- CDWs act as the link between government and the community.

2.5 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

On a regular basis, the municipality engages the community at consultation meetings in an endeavour to provide feedback on progress in relation to the level of development and to gather inputs from communities in relation to service delivery needs and to disseminate information on the roles and responsibilities of the municipality.

The main purpose of this consultation is to ensure that the political principals get closer to the communities and afford members of the community a chance to voice their needs.

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

The IDP forum is constituted by Councillors representatives from business organisations, mining companies, NGOs/ CBOs, government departments, agricultural organizations, parastatal organizations, and stakeholder representatives of unorganized groups. The representatives are given an opportunity to represent community interests and contribute knowledge and ideas, building consensus and support for the planning process itself, and ensuring a broader ownership of the outcomes.

Bulk sms system is used to disseminate prompt information to the community. Radio slots (especially on Ikwekwezi fm) were utilised to inform and educate the community about municipal programmes and projects.

Both the IDP and Multi-year Budget process for the period 2018/19 was open for comment by the public. The documents were available for inspection at all municipal buildings, libraries, and the municipal website, www.victorkhanyelm.gov.za.

Summary of development issues raised by communities located in the Victor Khanye Local Municipality during community meetings in 2018/19

WARD COMMITTEES

The South African legislative context determines that citizens should be involved in decision- making at local government level; as it is at the forefront of service delivery, and has easier access to the community it serves and enhances transparency and developmental governance. The White Paper on local government states that *“local government committed with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of lives”*

The establishment of a ward committee as envisaged in The Municipal Structures Act of 1998, refers section 73 “If a metro or local council decides to have ward committees. It must establish a ward committee for each ward in the municipality,

- (1) A ward committee consists of
 - (a) the councillor representing that ward in the council, who must also be the chairperson of the committee: and
 - (b) not more than 10 other persons”

VKLM has structured its Ward committees to comply with the relevant legislation and has implemented a Ward committee scorecard report to reflect progress in community matters.

COMMENTS ON THE EFFECTIVENESS OF PUBLIC MEETINGS:

Community involvement encouraged in matters of local government.

2.6 IDP PARTICIPATION AND ALIGNMENT

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

Table 9 IDP Participation and Alignment Criteria

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Municipality has implemented a system of corporate governance that encourages the effective, efficient and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This governance framework supports sound financial decision making, ensuring affordable services to the community, guides the funding and financing priorities and facilitates performance monitoring and review. During the year under review the following key governance responsibilities were functional:

- Internal audit function which operates in terms of an approved internal audit plan.
- Shared Audit committee which operates in accordance with approved terms of reference.
- A Risk assessment was conducted which include a risk management strategy and monitoring of key risks according to a risk register.
- An approved fraud prevention plan exists.
- A strategic plan was prepared and approved for the financial year which forms the basis for performance monitoring against the SDBIP, the municipal mandate, predetermined objectives, outputs, indicators and targets.
- A performance management system is in place.

- An approved system of delegations exists to maximize administrative and operational efficiency and to provide for adequate checks and balances as required in terms of sections 59 to 65 of the Municipal Systems Act, 32 of 2000.
- The Municipal Committee on Public Accounts (MPAC) is fully functional.

2.7 RISK MANAGEMENT

RISK MANAGEMENT

The Local Government Municipal Financial Management Act (56 of 2003) Section 62 (c) (i) stipulates that the Accounting Officer is responsible for managing the municipality financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. Risk Management is a key systematic and formalised process to identify, assess, manage and monitor risks.

During the risk assessment process management, has taken into account the following five (5) Key Performance Areas (KPA's):

- KPA 1: Good Governance and Public Participation;
- KPA 2: Municipal Transformation and Organisational Development;
- KPA 3: Financial Viability;
- KPA 4: Local Economic Development; and
- KPA 5: Service Delivery and Infrastructure Development.

Risk management has been prioritised to ensure that all threats have been identified, that might hinder the municipality from attaining its objectives. Risk Management Methodology, strategy as well as policy was reviewed and implemented. Risk assessment is conducted on an annual basis and all emerging risks are incorporated into the municipal risk register with mitigating strategies, including the appointment of Risk Champions per directorate in line with the National Treasury Public Sector Risk Management Framework and the municipality an effective Risk Management, Anti-Fraud and Anti-Corruption Committee as an oversight committee responsible to the Accounting Authority for the monitoring of risk management which includes assisting in designing and coordinating the Municipality's risk management initiatives

The following are the municipal high top risks;

- Inability to provide sustainable and uninterrupted basic services;
- Inability to create a conducive environment to improve social protection outcome;
- Increased water, sanitation, housing backlogs and electricity targets;
- Failure to compile the organizational structure using a scientific work study;
- Insufficient water supply;
- Inadequate compliance to the MFMA and Policy Framework;
- Loss of Income;
- Inadequate administration systems and processes;
- Inability to improve community confidence in the systems of local government; and
- Inability to control overtime.

There were 112 risks identified, assessed, and 75% of risks were mitigated and the following unresolved risks were rolled over to the 2018/19 financial year;

- Insufficient water supply and quality
- Inadequate waste water effluent quality discharge

- Non-adherence to traffic laws and regulations
- Failure to increase the efficiency of the supply chain management processes
- Insufficient collection of revenue

2.8 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Victor Khanye local Municipality employs to the excess of just over 391 staff members, runs a budget of over R407 million and owns assets. This puts the municipality at risk of fraud and corruption by either staff or outsiders. Fraud Prevention Strategy and Fraud Prevention Policy was developed and implemented. The municipality has implemented the Presidential fraud Hotline and a Corruption Watch Hotline. Fraud and corruption are defined as follows, respectively:

Fraud: Is deliberate distortion of documents in order to conceal the misuse of assets for personal gain.

Corruption: Is the offering, giving, soliciting, or acceptance of an inducement that may influence any person to act inappropriately.

Strategic Objective:

- Encouraging a culture within the Municipality where all employees, the public and other stakeholders continuously behave ethically in their dealings with, or on behalf of the Municipality;
- Improving accountability, efficiency and effective administration within the Municipality;
- Improving the application of systems, policies, procedures and regulations;
- Changing aspects of the Municipality which could facilitate fraud and corruption and allow these to go unnoticed or unreported; and
- Encouraging all employees and other stakeholders to strive toward the prevention and detection of fraud and corruption impacting or having the potential to impact the Municipality.

2.9 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The MFMA recognises supply chain management as a crucial component of municipal financial management, the efficiency and effectiveness of the procurement function has a large impact across a municipality. All related policies and legislative requirements were reviewed and updated accordingly

The Council has adopted and reviewed a Supply Chain Management (SCM) Policy and practises in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005. The new Preferential Procurement Regulations, 2011, with effect from 7 December 2011 was incorporated in the policy and adopted. Additional internal controls have been implemented and the controls will be strengthened during the 2017/18 financial year.

The SCM Policy incorporating the abovementioned regulations, as well as all other relevant legislation, regulations and circulars and are annually reviewed with the budget process. The municipality has established the three (3) bid committee system, namely:

1. Bid Specification Committee
2. Bid Evaluations Committee
3. Bid Adjudications Committee

No councillors are members of any committee of the committees handling supply chain processes. The supply chain officials are attending accredited training modules to meet the requirements of the minimum competency levels. One middle management supply chain officials are in the process to complete the necessary competency levels.

2.10 BY-LAWS

By-laws Introduced during Year 2017/18					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazette* (Yes/No)	Date of Publication
None	None		N/A		

COMMENT ON BY-LAWS

The Municipal Manager of Victor Khanye Local Municipality in terms of Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), publishes the Property Rates By-law as approved by its Council.

PURPOSE OF THE BY-LAW

To allow Council to exercise its power to value and impose rates on immovable properties located within its area of jurisdiction in such a manner that it will contribute to effective and economic service delivery to the entire community.

COMMENT ON BY-LAWS

During the period under review no new by-laws were approved by Council.

2.11 WEBSITES

Municipal Website: Content and Currency of Material 2017/18	
Documents published on the Municipality's / Entity's Website	<Yes / No>
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2016/17)	Yes
The annual report (2015/16) to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for (2015/16) and resulting scorecards	Yes
All service delivery agreements (2017/18)	Yes

All long-term borrowing contracts (2017/18)	Yes
All supply chain management contracts above a prescribed value 2017/18	Yes
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 2017/18	Yes
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120 made in 2017/18	Yes
All quarterly reports tabled in the council in terms of section 52 (d) during 2017/18	Yes

Table 10: Municipal Website: Content and Currency of Material

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The maintenance of the website is now 100% operational, with the assistance of a service provider on site with communications section responsible for the content.

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

OVERVIEW OF PUBLIC SATISFACTION LEVELS

No formal satisfaction survey was conducted during the current 2017/18 financial year, although other forms of community communication outreach methods are employed.

COMMENT ON SATISFACTION LEVELS:

Telephonic consumer complaints are handled by a specific Response unit and after hours through a dedicated emergency call-line. Consumers with billing or related service delivery queries are processed internally by an office in the department of Finance. The municipality through a service provider is introduced a help desk system to assist in capturing complaints.

CHAPTER 3 SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

INTRODUCTION

This component includes: water; waste water (sanitation); electricity; waste management; and housing services and a summary of free basic services. The municipality has adopted Comprehensive Master Plan on infrastructure development, in the main the municipality has been able to address the master plans relating to electricity, roads and storm water. There is extensive work to address the master plans relating to water and sanitation master plans, even amidst the budgetary constraints. For the year under review some of the larger projects implemented are described below.

- 5 high mast lights in were erected to light up the communities of Eloff, Botleng, and Delpark.

INTRODUCTION TO WATER PROVISION

3.1 WATER PROVISION

Our strategy is to provide quality potable water to all households within the Municipal area of jurisdiction. Workshops and training of personnel is regularly provided to our personnel to keep them up to date with technology and provide assistance to other municipalities. The challenges faced in our water systems is the aging of infrastructure, vandalism of boreholes and other equipment and increased populations.

All residents in urban areas receive water from the Rand Water Bloemendal water scheme. Furthermore this supply is augmented by the ground water from the boreholes, situated in the A, B and C borehole fields; this water is treated by the 15MI Water Treatment Plant.

Rural communities are still reliant on water provision through the employment of water trucks, and chlorinated boreholes.

The areas of Eloff, Sundra and Rietkol receive water from Randwater through the Modder Bee water scheme.

COMMENT ON WATER USAGE:

The supply is above demand as per the latest SDF in the next 5 yrs. and depending on the:

- The Victor Khanye Local Municipality mainly utilizes boreholes and Rand Water as a source of water provision for the majority of the communities it serves.
- Water losses average 51% of the total water abstracted, equating to approximately a value of 0.937 Million m³/a.

- Residential and commercial water users represent the largest part of the user profile in the Delmas district

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The residential leaking taps and toilet cisterns in Botleng Ext. 3 continue to pose challenges and results in the failure to maintain sufficient water levels in the Botleng reservoirs.

This issue results in the need to close off the outflow of the reservoirs at specific times in order for the water level to build up and facilitate the residents on the higher positioned areas access to water supply.

The municipality further has challenges due to the vandalism of Sewer Pump Stations. The Delmas Waste Water Treatment plant requires urgent upgrading due to the aging infrastructure and growing population numbers.

The municipality also had a sanitation drive building Specialized VIP toilets that diverts water and solids. In relation to the informal Settlements of Mandela, MaVag and Ellof the municipality provides chemical toilets while working to relocate the residence to a more suitable housing.

3.2 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Eloff, Sundra, Rietkol and Botleng Ext. 3 and the rural areas receive electricity directly from ESKOM and therefore do not fall under the municipalities billing system. The advent of Pre-paid electricity metering has significantly improved revenue collection and this coupled with the 50/50 system of credit and arrears payment through card purchases is enabling the municipality to reduce the outstanding debtor base.

One of the main challenges facing the municipality is the practice of illegal electricity connections which not only impact on revenue receipts but create a major safety risk through these practices. A project in conjunction with the Finance department has identified possible offenders and resulted in the illegal connections being terminated. Other challenges relate to the theft of transformers and cables and lightning damage to transformers.

Five (5) High mast lights were installed in the areas of Delpark Ext 4, Botleng Ext 7, and Eloff as well as the replacement of various malfunctioning street lights in Delmas.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Within the financial constraints imposed through funding availability the division has improved the overall level of service delivery and increased the number of household provided with electricity but the aging infrastructure is still a major concern.

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

INTRODUCTION TO WASTE MANAGEMENT

Waste management is a constitutional obligation in terms of section 24 of the National Waste Management Act of 2008. Municipalities are obliged to implement their waste management operations in a manner that their waste disposal systems comply with all legislative standards.

Waste is collected; pavement collection, on a scheduled basis of at least once per week in all areas, Street sweeping is done Mondays to Fridays and Sundays in the CBD and recycling is done on a small scale by the community at homes and at the landfill site. The aim of the section is to:

- Provide an efficient waste removal service
- To minimise waste through recycling
- To increase the lifespan of the landfill site
- Provide an environment not detrimental to the health, mental and physical well-being of the community.

The greatest challenge in the section has is that there has been a mushrooming of a community within the radius that the operating licence prohibits in relation to the landfill site.

The continued community protest activity has impacted negatively on the performance level associated with the landfill site. There is also been a challenge with respect to a lack availability of operating refuse trucks. The process of purchasing additional refuse trucks was in started in the 2017/18 , but due to cash-flow constrains the matter is still pending.

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

- The development of new settlements puts pressure on the present resources, in such a way that the present landfill site in Botleng Ext. 4 has reached its capacity. However a licences was received DARDLEA for extension on the height as a short term arrangement until the second phase is developed.

- The licence was also granted for the development of the second phase of the Delmas/Botleng landfill site, with condition that there should be access control through a gate and fencing of the landfill site.
- The present number of households serviced with pavement (kerbside) waste removal services within the Victor Khanye Local Municipality is 11876, and continues to increase with new settlements and houses being build.

3.4 HOUSING

INTRODUCTION TO HOUSING

The municipality is not directly responsible for the provision of houses as this remains the responsibility of the provincial department of Human Settlements. In an effort to understand and plan for the municipal backlogs the municipality registers beneficiaries on the national housing needs register. In the 2017/18 financial year 500 new applications were loaded on the NHNR.

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The delivery of housing units in the Victor Khanye Local Municipality is the function of the Mpumalanga Provincial Department of Human Settlements hence no Capital expenditure is made provision for.

The municipality has the following prominent areas:

- Botleng and its extension: predominantly a residential area for people in the lower income levels. This is where the housing demand is the highest as reflected by the concentration of squatter settlements on the periphery of the settlement as well as the development of backyard shack dwellings.
- Delmas and its extensions: including business and industrial area, and residential area for people in the middle and higher income levels.
- Delpark Extension 2 and 4 is predominantly a residential area for people in the lower income levels.
- Ellof, Waaikral, Abor, Argent and Savana these are predominantly rural farming communities with a mixture of low income and middle class working communities. The housing demand is the increasing as reflected by the mushrooming of squatter settlements on the periphery of the settlements as well.

The Municipalities informal structures in various Informal Settlements as detailed below.

Rural settlements
BRAKFORTEIN

SAPONYINI
RIETKUIL
LEEUPOORT
HOLFONTEIN
SAVANNAH
DU TOIT
TIKILINE
WAAIKRAAL
KLIPSPRUIT
WITKLIPBANK
SCHOONGEZICHT
MAHLATHINI
MIMOSA
KOBOS
GROENFONTEIN
DWARSFONTEIN
ARGENT
WITKLIP
RIETKOL
Informal settlements
NKANINI
MANDELA
MA-WAG
DELPARK EXT 4

Table 11: Informal Settlements

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality fulfil the promise of giving access to the under-privileged or indigent households through the assistance of the Indigent Policy. Indigent consumers get access to basic services (in terms of the Policy) such as rates, refuse, sewerage, and 6kl of water and 50kw of electricity depending on their indigent status. However, free 6kl of water and 50kw of electricity are extended to all consumers.

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

INDIGENT POLICY

As per policy

Flat rates:

Special indigents with no income = R0 p/m + actual consumption

Social welfare pensioners = R94 p/m + actual consumption
Registered Indigents < R800 = R143 p/m + actual consumption
Registered Indigents < R1500 = R243 p/m + actual consumption

COMPONENT B: ROAD TRANSPORT

3.6 ROADS

INTRODUCTION TO ROAD TRANSPORT

Not applicable to this municipality

INTRODUCTION TO ROADS

Roads infrastructure in Victor Khanye Local Municipality was originally designed for low volume traffic. The traffic volume has increased due to growth within the industrial and farming sectors.

The estimated kms of Municipal roads and provincial roads around Victor Khanye is 340kms and 170 kms (excluding 50 kms National Roads) respectively. The Road infrastructure under the responsibility of VKLM reflects 130 kms of asphalted roadway and a further 210 kms of graveled roads. The Roads infrastructure within the urban edge of Delmas is in a critical condition and needs to be upgraded or reconstructed.

The division achieved the construction of an additional 3 kms of tarred road which was completed. Furthermore, in excess 40 kms of gravel roads were graded, and maintained.

COMMENT ON PERFORMANCE OF ROADS OVERALL

Heavy haulage traffic continues to deteriorate roads surfaces and incurs the municipality in additional costs for roads maintenance.

3.7 STORMWATER DRAINAGE

INTRODUCTION TO STORM WATER DRAINAGE

Sundra, Eloff, Leeupoort and Rietkol Agricultural Holdings, Botleng and Delpark have inadequate storm water drainage systems. As a result certain houses are flooded during raining seasons.

All statistics pertaining to Storm water included in data provided earlier against Roads

COMMENT ON PERFORMANCE OF STORM WATER OVERALL

- The storm water drainage is very old and needs to be rebuilt. An amount of around R300 000 per annum is spent for maintenance of the storm water drainage systems.

COMPONENT C: PLANNING AND DEVELOPMENT

3.8 PLANNING

INTRODUCTION TO PLANNING AND DEVELOPMENT

The current backlog for land and providing people with their own stands and even houses and title deeds are enormous and needs to be addressed. The problem in Delmas is that the town is situated on dolomite

and the establishment of new residential areas are problematic. The VKLM has only land to develop that is registered in Councils name due to the fact that the surrounding land in and about Delmas is privately owned.

INTRODUCTION TO PLANNING

LUMS / SPLUMA

The Spatial Land Use Management Act 2013, was implemented July 2015. The SPLUMA By-Laws 2015 was compiled and promulgated for implementation Nov 2015. In the 2017/18 financial year Registered Town Planner was appointed. Personnel to be appointed to adhere to the SPLUMA Act 2013, is a, Land Use Manager and Land use Inspectors.

Note: Operational Projects were funded by the Nkangala District Municipality e.g. LUMS and Land Audit

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local authorities have a legal mandate to promote social and economic upliftment in areas of their jurisdiction as outlined by the objectives outlined in section 152 of the Constitution of the Republic of South Africa.

The Municipality continues to create an environment conducive to attracting and the retention of investment. The economy of Delmas is relatively diverse, the largest sector in terms of output as well as proportional contribution being Trade followed by Agriculture and Mining.

The Municipality is implementing a five year Local Economic Development Strategy (2013-2018), the aims and objectives of the Strategy are to:

- Create decent employment and business opportunities.
- Develop local and regional markets
- Promote and Support SMMEs/Co-operatives
- Reduce poverty and in-equality,
- Increase and explore new tourism projects.
- Economic Infrastructure development
- Improve skills development particularly among youth

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

The Municipality is in the process of implementing the 2013 -18 LED Strategies which is anchored around the following six development thrusts:

1. Agriculture and Rural Development
2. Green Economy
3. Industry and Commerce
4. Tourism Development
5. SMME and Co-operative development
6. Mining and electricity development

In 2015-2016 financial years the Municipality is planning to develop a Sustainable Investor Attraction and Retention Plan, which will be the basis of economic growth and development.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services consists of three sub-divisions namely, Environmental Health and Waste Management, Public Safety and Social Services. The main focus of the department is as follows:

- To provide an environment that is not detrimental to the health, mental and physical wellbeing of the community at large.
- Provide an efficient, safe, and economical waste management and refuse disposal programme.
- Control and minimize waste on landfill sites through recycling initiatives.
- Ensure the general environment is protected and promoted in a sustainable development.
- Review health and waste management by-laws.
- Ensure development does not take place on wetlands.
- Monitoring of the Air-Quality.

3.10 LIBRARIES; COMMUNITY FACILITIES; OTHER

INTRODUCTION TO LIBRARIES; COMMUNITY FACILITIES

The Municipality has three libraries, one in Delmas, Botleng Ext. 3 and Sundra. The Sundra library was a part time facility but was changed to a full time library since September 2015.

SERVICE STATISTICS FOR LIBRARIES; COMMUNITY FACILITIES; **COMMENT ON THE PERFORMANCE OF LIBRARIES; COMMUNITY FACILITIES**

The Municipality is operating the libraries on an agency basis on behalf of Province. There are three libraries within the Municipality.. All libraries have been provided with internet facilities and SLIMS (SITA library and Information Management System)

There is a dire need for a mobile library to service the rural areas, but funding is a problem. The DCSR also indicated that they do not have the funds for a mobile library. The DCSR started a process to take over all libraries from the Municipalities since it is a Provincial function. Negotiations with different municipalities is ongoing.

A library assistant was seconded by DCSR to Sundra library.

3.11 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES AND CREMATORIUMS

The municipality provides free burials to registered indigents as well as the provision of pauper burials for unclaimed bodies in its mortuaries. Burials for 15/16 in all 3 cemeteries were 513. No capital expenditure was incurred in the current financial year.

SERVICE STATISTICS FOR CEMETERIES

VKLM has 4 cemeteries located in Botleng, Sundra and Delmas, the old one situated in Botleng (Ward 1) has been used to capacity.

COMMENT ON THE PERFORMANCE OF CEMETERIES AND CREMATORIUMS OVERALL

EPWP workers are utilised to clean existing municipal cemeteries.

3.12 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE, AGED CARE; SOCIAL PROGRAMMES

In Victor Khanye Local Municipality there is a facility for disabled children, which only provides limited care provision. Facilities which will cover skills development of adults and children living with disabilities are needed.

As a result of HIV and AIDS mortalities, households are left to the care of children. These children are forced to look after their siblings and sometimes they have to leave school, to find employment in order to provide for themselves.

The Department of Home Affairs is currently issuing identity documents, birth and death certificates to enable people to access social service grants.

COMMENTS ON PERFORMANCE

No capital expenditure incurred, during the financial year in question.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

According to section 10 of the National Environmental Management Act 59 of 2008 the municipality has a responsibility to appoint a dedicated waste management officer. In the current year the municipality prioritised the appointment of waste management officer who are responsible for overseeing waste disposal and containment within Victor Khanye Local Municipality

3.13 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The new organizational structure, approved by Council incorporated the Air-Quality and Environmental officer, and WMO who were then appointed to oversee pollution control which resides within the Community Services Directorate as stipulated in the Environmental Management policy. The majority of the environmental management functions are performed by Environmental Health Practitioners.

Air quality monitoring and Noise control

The Municipality has two monitoring stations, at Delpark

Pollution Control Activities

- ☐ 21 environmental awareness campaigns were conducted throughout the municipality.
- ☐ Integrated environmental management meetings: draft terms of references were formulated. The plan to revive the forum is in place and terms of reference will be submitted to council.
- ☐ 24 students were provided with practical training.
- ☐ 15 air pollution related complaints were investigated and notices issued to non-compliance.
- ☐ 821 Sewerage were collected for bacteriological and chemical analysis

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Complaints of illegal dumping, and environmental pollution are addressed by the waste management officer and the air quality and environmental officer.

Ten mining inventories were conducted in order to monitor ambient air quality compliance to atmospheric emission standard

3.14 BIO-DIVERSITY

The municipality has currently no capacity to implement a Bio-Diversity programme, but remains a priority for the municipality to build capacity and foster implementation.

3.15 YOUTH DEVELOPMENT

INTRODUCTION TO YOUTH DEVELOPMENT

Youth development is the ongoing growth process in which all young people are engaged in attempting to:

- ☐ Meet their basic personal and social needs to be safe, feel cared for, be valued, be useful, and be Spiritually grounded; and
- ☐ To build their skills, talent and competencies that allow them to function and contribute in their daily lives.
- ☐ Provide guidance on educational, economic, cultural and assist in sports development

Youth development also refers to engaging young women and men in developmental activities as participants in the decision-making processes and as beneficiaries.

The target youth as per the National Youth Policy is young people between the age of 14 to 35, and these young people are in schools and the others are out of school.

In addressing Youth Development, the municipality is focusing on the following areas:

- ☐ Education and Skills development
- ☐ Health and Well being
- ☐ Sports and Recreation
- ☐ Economic Development

3.16 HEALTH INSPECTION

INTRODUCTION TO HEALTH

INTRODUCTION TO HEALTH INSPECTIONS; FOOD LICENCING AND INSPECTIONS.

The priorities of the health services section are to ensure a safe and healthy environment for the community through the:

- ☐ Inspection of food premises, public facilities and day care centres
- ☐ Investigation of complaints and addressing nuisance control

SERVICE STATISTICS FOR HEALTH INSPECTIONS.

All premises licensed to sell tobacco have been inspected for compliance with tobacco legislation.

- ☐ 1534 drinking water samples were collected for quality testing in accordance to SANS 241 standards.
- ☐ 638 formal and informal food premises were inspected to ensure that the minimum health standards are complied with.
- ☐ All complaints regarding vector and residents infestation were investigated and all nuisances were removed.
- ☐ With a view to improving food safety, 14 training sessions with food handlers namely street vendors and caterers were conducted.
- ☐ 63 Day care centres were inspected and provided with certificates of compliance with Health and National building Regulations.
- ☐ All complaints received were attended to and when necessary notices were issued.
- ☐ All building plans received were scrutinized and approved.
- ☐ 15 Pauper burials were done.
- ☐ 1 case of communicable disease was reported and investigated.
- ☐ 38 milk samples were collected and analysed.
- ☐ 8791 people were educated on environmental related issues through awareness's and campaigns

3.17 CLINICS

INTRODUCTION TO CLINICS

Although the municipality is not responsible for the health related matters, it has made provision to make health facilities available throughout the municipality by identifying and leasing out municipal owned building to house those health care facilities.

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

Ambulance services as with health is not a competency of the municipality but that of the provincial government.

COMPONENT G: PUBLIC SAFETY

INTRODUCTION TO PUBLIC SAFETY

The Public Safety department consists of four (4) sections namely. The Traffic Department, Licensing and Driver's license section, as well as Fire/Rescue and Disaster management services.

3.19 TRAFFIC

INTRODUCTION TO TRAFFIC

The Traffic Department is divided into four sections namely; Traffic, Vehicle registration and the Driver's license section and vehicle testing centre. The latter two sections are run on an agency basis at the Municipality.

3.20 TRAFFIC AND SECURITY

INTRODUCTION TO TRAFFIC AND SECURITY

The National Traffic legislation Act 93 of 1996 sets out the the main function of the Traffic Services is to make the roads safe, maintain law and order, and ensure free flow of traffic at all times. This is done through visible law enforcement, road safety campaigns and awareness programmes. Selective law enforcement is done at all accident zones where different law enforcement duties are conducted. The municipality is continuously installing traffic signals in order to relieve the congestion and traffic wardens are deployed at different areas to control the flow of traffic in congested intersections and to assist scholars to cross the busy intersections. Amongst the measures that are implemented by the municipality to improve road safety is the construction of traffic calming measures at different streets to reduce the speed of vehicles.

COMMENTS ON TRAFFIC ENFORCEMENT

The number of officials in the field is low due to the remainder of the traffic officers being at the Driver's license testing and Learners license centres.

COMMENT ON THE PERFORMANCE OF TRAFFIC OVERALL

- The Victor Khanye Local Municipality in cooperation with the Mpumalanga Provincial Government deploys traffic officers for the enforcement of traffic laws.
- The municipality has handed over to the Mpumalanga Provincial Government the testing and issuing of learners and drivers licences as well as vehicle licenses.
- This will be followed by some traffic officers and official being transferred to the provincial department.
- A service provider has been appointed to enhance traffic income at traffic section.

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

- The Fire and Rescue Services have personnel strength of a Chief Fire Officer, a Station Officer, Senior fire fighter and fifteen (15) operational fire-fighters, as well as four (4) Control Room Operators.
- The service is operational on a 24-hour basis.
- A temporary satellite station has been set up at the Delmas Water Treatment Plant in a testing phase to determine better speed of response.
- The Department respond to all Emergency incidents, which include Fires, vehicle collisions, entrapments/Rescues and various other related special, and humanitarian services.
- The service strives to respond to all emergency calls within a ten (10) minute after hours and 5 min during office hours timeframe from receipt of call to dispatch of the vehicles; currently the goal is to have 85 %compliance as a benchmark.
- The service has averaged a 91.80% response time for the 10 mins and with an average of 74.19% within a five (5) minute response range during office hours.
- The focus of the service is changing from a response outlook to that of a preventative nature. During this year various school talks were conducted by the fire fighters and additional education programs were included to encompass rural settlements.

COMMENTS ON FIRE SERVICE

Average turnout times are determined by logging the times from the receipt of an emergency and the time the first appliance leaves the Fire Station and analysing the record.

The target is set by Victor Khanye Local Municipality is an average of 85% of these calls must be within this range. The national standard according to SANS 10090 the average response is 80% compliance requirement.

3.22 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 Disaster Management function is, by legislation at the District Municipal level. At the local Municipal level the function is at the Directorate Community Services, in the Office of the Chief Fire Officer who is also appointed as the Head for Disaster Management. The Municipality is generally spared in terms of disasters during this financial year but the continued El Nino effect caused limited rainfall, escalating water shortage in rural areas

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

There were no significant incidents that occurred in the current year that required Disaster Management intervention. Victor Khanye was not a declared drought stricken municipality but was put on the “at risk” list in order to monitor the conditions within the municipality.

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The Physical and Environmental Department provides a wide range of services to the community. This reaches from the administration of sports and recreational facilities to the maintenance of all parks and recreational facilities and resorts like Middelburg Dam.

The service delivery priorities are to provide and maintain sports facilities, parks, municipal swimming pools, resorts and public open spaces as well as the seasonal maintenance of sidewalks and all council owned open areas. Where necessary, pesticides, herbicides and arboriculture applied to problem areas. These priorities were met through maintaining all facilities by cutting grass, removal of weeds, planting of trees etc, pruning of trees and selectively applying chemicals. Seasonal employees were appointed and EPWP projects introduced to ensure job creation and a safe environment.

The predominant Sport Activities are:

- Rugby
- Soccer
- Netball
- Basketball
- Volleyball

- Indigenous games

The municipality has upgraded a number of township soccer fields and allows community members and schools to utilise them. The municipality is in the process of ensuring that all fields have the necessary services such as ablution blocks, water, and electricity.

The municipality has created a number of parks according to the greening project in 2012. Communities use these facilities as picnic, braai, and general recreation areas and playing grounds for children. However, there is a need for a recreational swimming pool as for many years the children of Botleng have gone swimming at a local small river fondly known as Deep Leven.

VKLM In the light of the government commitment to expanded access to services has prioritized the provision of services to the communities who are located in the peripheral areas. The Simon Gondwe Sports Centre at Delmas provides the communities of the municipality with access to sport facilities. However, it should be extended in order to accommodate communities in the periphery, particularly communities from areas such as Botleng who have limited access to sport facilities. The need for sport facilities for soccer, netball etc. (ward 6) has been highlighted by the communities.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES

The Corporate Services directorate executes procurement and dissemination of information, messenger services, and safe custody of documents and registers of Council.

3.24 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Council of Victor Khanye Local Municipality declared that they would take accountability to deliver the Vision 2030 and would implement the resolutions that were committed to during the Strategic Planning

Workshop held on the 21st May 2012 for and on behalf of the broader community of Victor Khanye, the Province and South Africa at large.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Refer Chapter 2, Governance, sub-sections 2.1 and 2.2, Political and Administrative governance respectively.

POST LEVEL	GRAND TOTAL			MM			CORPORATE			BUDGET & T			TECHNICAL			SOCIAL SERV		
	TOTAL	Filled	Vacant	TOTAL	Filled	Vacant	TOTAL	Filled	Vacant	TOTAL	Filled	Vacant	TOTAL	Filled	Vacant	TOTAL	Filled	Vacant
Sec 57	5	3	2	1	1		1	1		1	1		1	0	1	1	0	1

T18	2	2	0	0			1	1		0			0	0	0	1	1	0
T17	0	0	0	0			0			0			0	0	0	0	0	0
T16	3	1	2	2	1	1	0			0			0	0	0	1	0	1
T15	9	4	5	3	2	1	1	1		2		2	3	1	2	0	0	0
T14	0	0	0	0			0			0			0	0	0	0	0	0
T13	25	20	5	7	5	2	2	1	1	5	4	1	8	7	1	3	3	0
T12	24	14	10	4	2	2	2	1	1	6	3	3	9	5	4	3	3	0
T11	14	14	0	2	2		2	2		3	3		4	4	0	3	3	0
T10	31	22	9	4	3	1	3	3		2	1	1	20	13	7	2	2	0
T9	14	10	4	6	4	2	1	1		3	2	1	2	1	1	2	2	0
T8	26	21	5	0			4	3	1	2	2		2	1	1	18	15	3
T7	53	36	17	3		3	3	1	2	22	15	7	17	14	3	8	6	2
T6	60	37	23	1	1		2	1	1	5	3	2	9	7	2	43	25	18
T5	81	62	19	1	1		1	1		1	1		13	12	1	65	47	18
T4	157	130	27	2	1	1	17	12	5	12	11	1	95	79	16	31	27	4
Interns	5	5	0	0			0			5	5		0			0		
TOTAL	509	381	128	36	23	13	40	29	11	69	51	18	183	144	39	181	134	47
		74,9 %	25,1 %															

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The three strategic focus areas were as follows:

1. To engage with discussions with Eskom to transfer their networks for the supply to end-users to the Municipality to increase the debt collection rate by implementing 50/50 programme in the whole municipal area, council will have.
 - To engage in a water and electricity meter audit to confirm accuracy and completeness.
 - Upgrade of financial server/software and networks to provide a more stable environment for financial activities.
2. Obtain updated actual valuation. In order to implement the Municipal Property Rates Act, 2004 a new valuation roll needs to be drafted.
3. To put controls in place to safe guard the municipality against loss and aid in the achievement of a clean audit outcome.

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Personnel administration includes not only the assurance that a proper duly comprehensive electronic as well as hard copy staff record system is in place and maintained, but also the recruitment process, leave administration, disciplinary and grievance procedures, occupational and health, injury on duty, skills development, employment equity, labour relations. In addition other responsibilities include the drafting of items, compilation and distribution of agendas, keeping of minutes of the proceedings and the finalization of resolutions in respect of the Local Labour Forum Meetings. The Directorate of Corporate Services comprises of six (6) divisions and plays a pivotal role in municipal governance and is responsible for the following functions:

DIRECTORATE CORPORATE SERVICES

1. General Administration
2. Human Resources Management
3. Secretariat Services
4. Estate Administration
5. Property Administration
6. Archives

1. GENERAL ADMINISTRATION

The tasks involved in the execution of this function includes amongst other procurement and dissemination of information, messenger services, safe custody of documents and registers of Council.

2. HUMAN RESOURCES

Personnel administration includes not only the ensuring that a proper duly comprehensive electronic as well as hard copy staff record system is in place and duly maintained, but also the recruitment process, leave administration, disciplinary and grievance procedures, occupational

and health, injury on duty, skills development, employment equity, labour relations as well as the drafting of items, compilation and distribution of agendas, keeping of minutes of the proceedings and the finalization of resolutions in respect of the Local Labour Forum Meetings.

3. SECRETARIAT OF MEETINGS

This function involves the drafting of items, compilation and distribution of agendas, keeping of minutes of the proceedings and the finalization of resolutions in respect of meetings of Council, Mayoral Committee, Sub and or Portfolio Committees of Council.

4. ESTATE ADMINISTRATION

The control over as well as cleaning of all of the municipal buildings/ offices is performed by this directorate. The security service which is outsourced is also managed by this directorate.

5. PROPERTY ADMINISTRATION

This function involves alienation (sale, purchasing, leasing and rental) of the fixed properties of Council and the management of the municipal valuation roll.

6. ARCHIVES

All documents of this council are kept in this section which is referred to as Records. This section is not only responsible for the safe keeping of records but also receive, sort, electronically registers all incoming documents addressed to council after which it is referred to the relevant directorate for finalization and or comments. The original documents are filed as hard copy in the filing system kept in the section. This section is also responsible for reprography.

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Communication Technology Services Department provides platform to support ICT systems and ICT services to the end users of Victor Khanye Local Municipality and to the Victor Khanye Local Municipality community by extension

The priority has been an enabler for Information Communication Technology. Setting systems and Providing services that enables the various Departments in the Municipality to provide their products and Services to the Community by hosting such systems on ICT Infrastructure.

We have continued to host financial, human resources, electrical, civil engineering, planning, traffic, call Centre etc. to enable the Departments to provide efficient and reliable products and services.

We have improved our server infrastructure and networking through the provision of backup and Retentions services, introducing new buildings to Municipal network infrastructure, improved our wireless

Network capacity, provided tools of trade to our users, introduced Mobile App to improve communication,

Continued the use of sms's to communicate with the community, provision of telecommunication Services, data services and enabling platform for our users.

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT SERVICES

The municipality has a position of Legal Adviser who deals with all legal matters pertaining to the municipality, but no matters of significant importance were experienced in the year under review. The

municipality has undertaken to promote standards of an honest and a fair conduct for the following reasons.

- To proactively prevent fraud and corruption.
- To put in place early warning systems to detect fraud and corruption.

In addition a Risk Manager has recently been appointed in March to augment the office of the Municipal Manager and the positive influence of this post can already be experienced and will greatly assist the administrations mitigation of risks in the 2016/17 financial year.

COMPONENT J: MISCELLANEOUS

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

INTRODUCTION TO MISCELLANEOUS

Not applicable to this municipality for the period under review, although a project is presently being progressed with respect to the establishment of a Cargo based airport located in Delmas.

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

Annual Performance Report.

1 Purpose

The purpose of this report is to give feedback regarding the performance of the Victor Khanye Local Municipality as required through The Municipal Systems Act No 32 of 2000, section 41(e) and the Municipal Finance Management Act 56 of 2003, section 52(d). The information included in this report is based on the IDP¹ and Adjustment SDBIP² as developed for the financial year 2017/2018.

This report is based on information received from each department for assessment of performance for the accumulated **Annual Performance for 2017/18, ending June 2018**. This is a high-level report based on a process whereby actual information per Key Performance Area (KPA), Strategic Objective, Programme and the aligned Key Performance Indicators are compared to the approved 2017/18 IDP and Adjustment SDBIP scorecards.

The overall performance for the the Victor Khanye Local Municipality is based on the Departmental Performance scorecards as detailed below, which is inclusive of the IDP and Adjustment SDBIP KPI's applicable to each department in terms of their respective contribution.

2 Executive Summary

This report serves as the **Annual Institutional Performance Report** for the **2017/18** financial year **ending June 2018**. It provides effective and informative feedback on the performance level achieved (accumulative reporting) against the targets as laid out in the IDP and Adjustment SDBIP Scorecards. In the case of under-performance, the respective concerns or mitigating reasons are highlighted and detail pertaining to the relevant measures taken to address these challenges are included thereto.

The overall performance for the Victor Khanye Local Municipality is based on a composite Performance Scorecard of each Department comprising of all indicators inclusive of the IDP and Adjustment SDBIP. The institution is responsible for a **total of 151 KPI's, of which all were assessed**. All these KPI's combine to contribute to the overall performance level of the IDP and Adjustment SDBIP Scorecards.

The overall accumulative Institutional performance score achieved for the **Annual Performance Report of 2017/18, ending June 2018** was **54.9%, based on 83 of 151 KPI's** assessed achieving their respective annual targets.

3. Key Performance Areas and Organisational Strategic Goals

The following Key Performance Areas and Strategic Goals have been adopted by the municipality for the purposes of reporting on the attainment of the Institutional performance indicators and targets

KPA 1: Infrastructure and Basic Service Delivery

- Goal 1: Improved provision of basic services to the residents of VKLM
- Goal 2: Improved social protection and education outcomes

KPA 2: Financial viability and Finance Management

- Goal 3: Improved Compliance to MFMA and VKLM Policy Framework

KPA 3: Institutional Development and Transformation

- Goal 4: Improved efficiency and effective of the Municipal Administration

KPA 4: Good Governance and Public Participation

- Goal 5: Improve community confidence in the system of local government

KPA 5: Spatial Rationale

- Goal 6: Increase regularization of built environment

KPA 6: Local Economic Development

Goal 7: Increased economic activity and job creation

The traffic light system used in the report of performance is as follows:

Yellow – Achieved

Red – Not Achieved

KEY PERFORMANCE AREA 1: Infrastructure and Basic Service Delivery

The overall score for this KPA is 47.2% for the year under review. The greatest contributors to this KPA are the Technical and Community & Social Services Departments. This is one of the key KPA's for the municipality because of its direct impact to community development e.g. the construction of road infrastructure, water provision, etc.

The KPA had an overall achieved of 52.3% in the previous financial year, this shows a regress of 5.1% in the number of indicators that were achieved for the year under review.

KPI Status	Infrastructure and Basic Service Delivery
Target Met (as planned and exceeded)	17
Target Not Met (below planned)	19
Total	36
% Targets met	47.2%
% Targets not met	52.8%

Performance Highlights for the 2017/18

The number of learners that were provided with financial assistance to register at tertiary institutions through the Mayoral Community Programme was targeted at 32 however the actual number assisted reached 82. This was a significant improvement from the 28 that was achieved in the last financial. The increase was as a result of a collaboration between the municipality and the private sector.

To ensure the safety of our communities at night, a project for the installation of 4 high mast lights was undertaken. The total number of high mast installed was 6, this means that the target was exceeded by 2. The extra 2 high mast lights were donated by the private sector.

The MIG conditional grant was fully utilised or spent (100%).

Challenges

We are still unable to provide the portfolio of evidence (PoE's) for the KPI's on both the blue and green drop certification. This is because the certification is being done by the Department of Water and Sanitation however the municipality always ensures that all its water sources are tested. The major challenge is on our Waste Water Treatment Works which are overloaded and needs to be upgraded. Financial constraints are a barrier in this regard.

Measures taken to improve performance

The municipality is using external service providers to test the quality of our water instead of relying from DWS.

KEY PERFORMANCE AREA 2: Financial Viability and Finance Management

The overall score for this KPA is 74.1% for the year under review. This indicates a regression of 5.3% in the performance as the prior year had an overall achievement of 79.4%

KPI Status	Financial Viability and Finance Management
Target Met (as planned and exceeded)	20
Target Not Met (below planned)	7
Total	27
% Targets met	74.1%
% Targets not met	25.9%

Performance Highlights for the 2017/18

The average number of days taken to finalise the competitive bidding processes for tenders above R200 000-00 was kept within the legislated (<90) days which meant that all advertised tenders were commenced with on time.

An annual verification of assets report was submitted to the Municipal Manager, this is an address to prior year findings by the Auditor General.

Challenges

The target 75% of consumer payment level in terms of services billed was not achieved due to a drop in payment levels by the consumers.

Compliant invoices were not paid within the required 30 days due to cash flow constraints.

Employees within the service delivery departments i.e. Technical and Community & Social Services worked excessive overtime due to constant breakages to the ageing infrastructure e.g. sewer spillages, water pipe bursts, etc.

Measures taken to improve performance

A Revenue Enhancement Committee was established to ensure that the Revenue Enhancement Strategy is fully implemented so as to ensure that our cash flow is improved.

KEY PERFORMANCE AREA 3: Institutional Development and Transformation

The overall score for this KPA is 38,5% for the year under review. The greatest contributor to this KPA is the Corporate Services Department as this KPA deals with Human Resources indicators, performance indicators and IDP indicators.

The KPA had an overall achieved of 50.0% in the previous financial year, this shows a 11,5% drop in the number of indicators that were achieved.

KPI Status	Institutional Development and Transformation
Target Met (as planned and exceeded)	10
Target Not Met (below planned)	16
Total	26
% Targets met	38,5%
% Targets not met	61,5%

Performance Highlights for the 2017/18

The appointment during the year improved the Employment Equity targets of the municipality. The post of Executive Director: Community Services was filled on the 1st June 2018 which also improved operations within the Community & Social Services Department.

Challenges

There is still a major challenge in the cascading of PMS to the lower levels. It is also taking the municipality more than three months to finalise the appointment of vacant posts especially the (Section 56 of MSA).

The position of Municipal Manager and Executive Director: Technical Services have been vacant since October and January 2017 respectively.

A technical moratorium was placed on the filling of positions especially the three highest levels excluding the Directors positions due to cash flow constraints.

Measures taken to improve performance

The interviews for the vacant position of Municipal Manager have been conducted and await further Council processes. The vacant position of Executive Director: Technical Services has also been re-advertised.

KEY PERFORMANCE AREA 4: Good Governance and Public Participation

The overall score for this KPA is 57,7% for the year under review.

The KPA had an overall achieved of 69.2% in the previous financial year, this shows a 11.5% drop in the number of indicators that were achieved.

KPI Status	Good Governance and Public Participation
Target Met (as planned and exceeded)	30
Target Not Met (below planned)	22
Total	52
% Targets met	57,7%
% Targets not met	42,3%

Performance Highlights for the 2017/18

The Risk Management Committee is fully functional as it managed to convene its meetings in all four quarters and its reports were submitted to Council.

Challenges

The municipality remained with a qualified audit opinion from the Auditor General due to prior year issues and cash and bank issues.

Not all planned community stakeholder meetings were held due to unrests within the municipality.

Only eight of the eleven Ordinary Council meetings that were planned were achieved because of postponements.

Measures taken to improve performance

The Executive Director: Corporate Services does not have a direct control over the sittings of Council meetings hence the KPI was moved to the office of the MM in the new financial year.

KEY PERFORMANCE AREA 5: Spatial Rationale

The overall score for this KPA is 100% for the year under review. During the last financial year, this KPA had two planned indicators however we then merged the two to make one indicator.

The KPA had an overall achieved of 100% in the previous financial year.

KPI Status	Spatial Rationale
Target Met (as planned and exceeded)	1
Target Not Met (below planned)	0
Total	1
% Targets met	100%
% Targets not met	0.0%

Performance Highlights for the 2017/18

Only one KPI was planned for this KPA and it was achieved.

Challenges

None

Measures taken to improve performance

N/A

KEY PERFORMANCE AREA 6: Local Economic Development

The overall score for this KPA is 55,6% for the year under review. The KPA had an overall achieved of 45.5% in the previous financial year, this shows an improvement of 10.1% in the number of indicators that were achieved.

KPI Status	Local Development	Economic
Target Met (as planned and exceeded)	5	
Target Not Met (below planned)	4	
Total	9	
% Targets met	55.6%	

% Targets not met	44.4%
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Performance Highlights for the 2017/18

The number of skills development initiatives aimed at youth empowerment were exceeded. A total of four initiatives were planned however a total of seven were achieved.

Four capacity skills building workshops we held for SMME's and Cooperatives to assist them in business management.

Challenges

The LED Forum did not sit regularly as planned due to multiple forums/structures contesting the same space as the LED Forum.

Measures taken to improve performance

The Executive Mayor, Speaker and the Council Whip are engaged in a process of ensuring that the municipality's LED Forum is resuscitated and functional.

4 Institutional and Departmental Performance

Below is a summary of the overall combined KPI and Project performance level achieved by each Department, depicting both the individual departmental performance and the achievement per KPA.

Comparison of Institutional KPI's per KPA - 2017/18

Table 1: KPI's Attaining Target

KPA	1	2	3	4	5	6	Total	Dept %
Budget and Treasury	0	12	0	4	0	0	16	69,6%
	0,0%	75,0%	0,0%	80,0%	N/A	N/A		
Technical Services	6	2	0	4	1	2	15	65.2%
	46.1%	100,0%	0,0%	100,0%	100,0%	100,0%		
Community and Social Services	6	1	0	2	0	1	10	47.6%
	50.0%	50,0%	0,0%	40,0%	N/A	100,0%		
Corporate Services	0	1	7	5	0	0	13	48,1%
	N/A	50,0%	35,3%	62,5%	N/A	N/A		
Office of the Municipal Manager	5	4	3	15	0	2	29	50.9%
	50,0%	80,0%	50,0%	50,0%	N/A	33,3%		
Total Achieved	17	20	10	30	1	5	83	

Total Assessed	36	27	26	52	1	9	151
Percentage %	47.2%	74,1%	38,5%	57,7%	100,0%	55,6%	54.9%

The following section contains a comprehensive breakdown of the **individual Departmental performance**. The results highlight the progress with respect to performance not only at a departmental level, but also represents the **progress made within each Key Performance Area (KPA)**.

4.1 Office of the Municipal Manager

The Office of the Municipal Manager is responsible for a total of **57 KPI's**, of which all were eligible for assessment in the period under review and combine to contribute to the overall performance level for the IDP and Adjustment SDBIP Scorecards. The statistics for the Department are as follows

Table 2: Office of the Municipal Manager Statistics

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Under Target	% Under Target
IDP	8	3	37.5%	5	62.5%
SDBIP	49	26	53.1%	23	46.9%
Total	57	29	50.9%	28	49.1%

The individual performance of each KPI per KPA is highlighted in the following departmental scorecard.

IDP Scorecard

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational Efficiency	Performance Management	% of KPIs attaining organisational targets by 30th Jun 2018 (Total organisation)	3.4	N/A	internal	64,3%	100%	60,3%	Not Achieved	Attained 91 out of 151 KPI's assessed	Refer individual departmental responses	Copies of the quarterly consolidated performance report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Accountability	Community Participation	% functionality of the Ward Committee per quarter	4.1	N/A	internal	<78%	78%	78%	Achieved	None	None	Copies of quarterly ward committee's reports submitted to Council
Good Governance	Good Governance	% of total MPAC resolutions raised and resolved per quarter	4.2	N/A	internal	100%	100%	No MPAC resolutions raised	Achieved	None	None	Copies of the quarterly MPAC resolutions raised and the respective managers response
	Risk Management	% execution per quarter of Risk Management Plan in line with detailed time schedule (total organisation)	4.3	N/A	internal	86,6%	85%	85%	Achieved	None	None	Copies of the Quarterly Risk Reports, Agenda of the Risk Management

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Internal Audit	Number of quarterly reports in terms of implementation of the Audit Action Plan submitted to Council and Provincial Treasury		N/A	internal	4	4	2	Not Achieved	The targets were incorrectly captured on the approved SDBIP, the Audit Action Plan is only developed after receiving the audit report from the AG in the 2 nd quarter	Review of the quarterly targets in the new financial year	Copies of the quarterly IA report submitted to the Audit Committee

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	Obtain an Unqualified opinion from the annual audit outcome from the Auditor General	4.2	N/A	internal	Qualified Opinion	Unqualified Opinion	Qualified Opinion	Not Achieved	Prior year issues and cash & bank issues	Full implementation of the Audit Action Plan	Copy of the Auditor General's audited annual management letter
	Internal Audit	% of AG Management Letter findings resolved by 30th Jun 2018 (Total organization)	4.7	N/A	internal	2	100%	89%	Not Achieved	Some KPI's needed financial backing to be resolved however due to our financial status, they could not be achieved	Proper planning in the next financial year	Copy of the quarterly AG Action Plan status report

KPA 6: Local Economic Development
Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Economic Growth and Development	Economic Growth and Development	Number of MOU's signed with respect to external Social Responsibility Programmes by 30 June 2018	6.1	N/A	internal	2	2	0	Not Achieved	Due to the non-sitting of the LED Forum, the municipality was unable to engage stakeholders	Resuscitation of the LED Forum with the assistance of NDM and DEDET	Copy of the MOU's signed

SDBIP Scorecard

KPA 1: Basic Service Delivery and Infrastructure Development

Strategic Goal: Improved social protection and education outcomes

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Mandela Day	Number of events held to commemorating Nelson Mandela's Birthday by the 30th Sept 2017	1.12	1.12.3	internal	1	1	0	Not Achieved	The event was held however no proper records were kept to serve as PoE	Proper record keeping of PoE's for events held in the new financial year	Copy of close-out reports for each event held
	Community upliftment	Number of initiatives focused on improving the life of designated groups by the 30th Jun 2018		1.12.4	internal	3	3	2	Not Achieved	Community members were transported to Middelburg but no attendance registers or photos were kept for the said trip	Proper record keeping of PoE's for events held in the new financial year	Copy of close-out reports for each initiative
		Number of learners provided with financial support (Mayoral community programme)	1.12	N/A	internal	67	32	65	Achieved	None	None	Copies of successful learner applications and report on Bursary Fund allocation and Copy of close-out reports

by the 31st
March 2018

KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved social protection and education outcomes

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Mainstream Disability and Gender	Number of events scheduled and held in terms of mainstreaming of gender, disabled, elderly and children by the 30th Jun 2018	1.12	1.12.5	internal	1	6	17	Achieved	None	None	Copy of close-out reports for each event
	Youth	Number of educational initiatives implemented in terms of	1.12	1.12.6	internal	New	9	9	Achieved	None	None	Copy of close-out reports for each initiative

		the Youth by 30th Jun 2018									
		Number of Sports and Arts and Culture events held in terms of the youth by 30th Jun 2018	1.12.7	internal	1	4	4	Achieved	None	None	Copy of close-out reports for each event

KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved social protection and education outcomes

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Youth	Number of Youth Imbizo's held by 30 June 2018	1.12	1.12.9	internal	4	4	3	Not Achieved	The imbizo could not be held due to community unrests		Copy of close-out reports for each Imbizo's held
	Mainstream HIV/AIDS	Number of HIV/AIDS's educational awareness campaigns	1.13	1.13.1	internal	2	4	10	Achieved	None	None	Copy of close-out report of each campaign held

		implemented each quarter										
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KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved social protection and education outcomes

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	All Services	Number of reports submitted to Council per month in terms of compliance to the CoGTA Back to Basics reporting system	1.1	N/A	internal	4	12	12	Achieved	None	None	Copy of the monthly CoGTA Back to Basics reports

	Project Management	% of new Capital projects started on time In terms of the appointment of consultants / contractors excluding NDM funded projects by 30 Sept 2017	1.4	1.4.1	internal	100%	100%	0%	Not Achieved	The description of the KPI did not clearly describe the definition and measurement requirement without presenting ambiguity.	Add the word 'multiyear' to the description of the KPI. The KPI description will read as follows " Percentage of new/multiyear capital projects started on time in terms of the appointment of consultants/contractors excl., NDM funded projects by 30 June 2018"	Copies of the individual project appointment letters in terms of consultants/contractors
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KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Management	Financial Management	% spend of the total operational Budget per quarter	2.2	2.2.7	internal	88%	96%	96%	Achieved	None	None	Copy of the quarterly section 52(d) report
		% spend on employee costs in terms of the total		2.2.9	internal	<34%	<34%	30%	Achieved	None	None	Copy of the quarterly section 52(d) report

		operational Budget per quarter										
		% of employees exceeding legislated overtime levels stipulated as not more than (40) hours per month per employee (OMM)		2.2.22	internal	New	0%	0%	Achieved	None	None	Copies of approved financial overtime schedule report

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Management	Financial Management	% of employees exceeding legislated overtime levels stipulated as not more than (40) hours per month per employee (Total Organisation)		2.2.23	internal	New	5%	11%	Not Achieved	Service delivery departments worked excess overtime because of the old infrastructure that breaks now and again	Close monitoring of the overtime worked as well as pre-approvals by the relevant supervisors	Copies of approved financial overtime schedule report

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Management	Financial Management	% of employees exceeding legislated overtime levels stipulated as not more than (45) hours per month per employee (Total Organisation)	2.2	2.2.26	internal	New	10%	10%	Achieved	None	None	Copies of approved financial overtime schedule report

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational Efficiency	Performance Management	Number of formal bi-annual performance reviews conducted with Section 56 employees	3.4	3.4.1	internal	1	2	0	Not Achieved	The 2 nd quarter reviews were not held due to difficulties in securing the availability of all members of the panel	The municipality is in a process of entering into agreements with some municipality within the district to assist each other during the assessments	Agenda and copies of individual managers signed assessment forms
		% of KPIs attaining organisational targets by 30th Jun 2018 (OMM)		3.4.2	internal	80%	95%	56.1%	Not Achieved	Some KPI's could not be achieved due to cash flow constraints	Proper planning in the next financial year	Copy of the quarterly consolidated performance reports
	Organisational Development	% of disciplinary proceedings initiated in relation to reported matters.	3.1	3.1.8	internal	100%	100%	100%	Achieved	None	None	Copies of all disciplinary matters reported and those referred that were formally investigated
	ICT	% of AG queries in terms of ICT resolved by year-end	3.7	3.7.1	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly AG Action Plan status report

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational efficiency	ICT	% availability of ICT services per quarter	3.7	3.7.2	internal	95%	95%	95%	Achieved	None	None	Copies of the quarterly ICT report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Accountability	Community Participation	Number of Ward operational plans submitted to Council per annum	4.1	4.1.1	internal	9	9	9	Achieved	None	None	Copy of annual Ward operational plans submitted to Council

		Number of Ward Committees meetings held per quarter		4.1.2	internal	87	108	106	Not Achieved	Wards 4 and 9 were not functional	The Speaker intervened by instructing the respective ward councillors to ensure that their meetings sit	Copies of quarterly ward committee's reports submitted to Council
		Number of Community stakeholder meetings facilitated and attended by 30th Jun 2018		4.1.3	internal	54	36	9	Not Achieved	Community unrests prompted the postponement of all meetings	Ensure there is stability within our communities so that meetings can be convened as planned	Registers and any other documentary evidence relating to the meeting
Good Governance	Good Governance	Draft Consolidated Annual Report submitted on or before the 31st Aug 2017	4.2	4.2.10	internal	1	1	1	Achieved	None	None	Copy of Draft Consolidated Annual Report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	Submission of final audited consolidated	4.2	4.2.11	internal	1	1	1	Achieved	None	None	Copy of Final Annual Report

		Annual Report to Council by the 31st Jan 2018										
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KPA 4: Good Governance and Public Participation
Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	Submission of Oversight Report to Council by the 30th March 2018	4.2	4.2.12	internal	1	1	0	Not Achieved	MPAC having challenges seating to finalise oversight report	Ensure MPAC convene its meetings and finalize oversight report by end of February.	Annual Oversight Report
		2018/19 IDP review Framework Plan approved by 30th June 2018		4.2.13	internal	1	1	0	Not Achieved	The IDP Manager was transferred to Town Planning	The Framework plan was submitted to Council on the 28 th August 2018. The compliance officer has been appointed.	Copy of approved IDP Framework and Plan
		Final IDP tabled and approved by Council by the 31st March 2018		4.2.14	internal	1	1	0	Not Achieved	The process plan was adopted late thereby delaying the whole process	The final IDP was tabled and adopted by Council on 31 st May 2018	Copy of Final IDP and Council resolution item reference approving the document

		Number of new/reviewed ICT policies/strategies approved by Council by the 30th Jun 2018		4.2.15	internal	2	2	13	Achieved	None	None	Copies of approved reviewed / new Policies
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KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	Final SDBIP approved by Executive Mayor within 28 days after approval of Budget		4.2.16	internal	1	1	1	Achieved	None	None	Copy of Final approved SDBIP

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	Adjusted Budget and SDBIP approved by Executive Mayor by the end of February 2018	4.2	4.2.17	internal	1	1	1	Achieved	None	None	Copy of Adjustment Budget and SDBIP
		% of Council meetings resolutions resolved within the prescribed timeframe of (3) months (Total organisation)		4.2.18	internal	100%	100%	90%	Not Achieved	Some reports were finalised but were not submitted to Council on time due to the postponement of Council meetings	Ensure that all outstanding resolutions are submitted to Council	Copy of quarterly status report of Council resolutions resolved
		% of Council meeting resolutions resolved per quarter (OMM)		4.2.19	internal	100%	100%	91%	Not Achieved	Some reports were finalised but were not submitted to Council on time due to the postponement of Council meetings	Ensure that all outstanding resolutions are submitted to Council	Copy of quarterly status report of Council resolutions resolved
		Number of quarterly Compliance Register		4.2.20	internal	4	4	0	Not Achieved	There was no official assigned for this function	The compliance officer has been appointed with effect from 01 August 2018	Copy of quarterly Compliance Register Report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Risk Management	Risk Management Implementation Plan approved by 30th Jun 2018	4.3	4.3.5	internal	1	1	1	Achieved	None	None	Copy of approved Risk Management Implementation Plan
		% execution per quarter of Risk Management Plan in line with detailed time schedule (OMM)	4.3	4.3.6	internal	91,9%	85%	85%	Achieved	None	None	Copy of the Quarterly Risk Report and the minutes of the risk management meeting
		Number of Risk Management reports submitted to the Risk Management Committee per quarter	4.3	4.3.7	internal	3	4	4	Achieved	None	None	Copy of quarterly Risk Management Committee report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Risk Management	Number of Risk Management Committee reports submitted to Council per quarter	4.3	4.3.8	internal	3	4	4	Achieved	The report was submitted late to Council due to the late sitting of the Risk Management Committee meeting which sat on the 26 th April 2018	Ensure that all planned Risk Management Committee meetings sit as per approved schedule	Copies of Risk Management Committee reports
Good Governance	Internal Audit	% of AG Management Letter findings resolved by 30th Jun 2018 (OMM)	4.7	4.7.7	internal	80%	100%	88%	Not Achieved	Some findings needed financial backing to be resolved however due to our financial status, they could not be achieved	Proper planning in the next financial year	Copy of the quarterly AG Action Plan status report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Internal Audit	% of Internal Audit Findings resolved per quarter as per the Audit Plan (Total Organisation)	4.7	4.7.8	internal	100%	100%	0%	Not Achieved	The Internal Audit Action plan was not developed	Management will ensure that it is developed and implemented in terms of the Provincial Treasury's circular 30	Copy of the quarterly IA report submitted to the Audit Committee
		Number of Internal Audit reports submitted to the Audit Committee per quarter		4.7.9	internal	4	4	2	Not Achieved	The Audit Committee did not sit due to the non-submission of agenda items	The schedule of meetings has been developed and will be implemented accordingly	Copy of the quarterly IA report submitted to the Audit Committee
		Action Plan on issues raised by the Auditor General compiled and tabled to Council by January 2018		4.7.10	internal	1	1	1	Achieved	None	None	Copy of approved Action Plan

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Customer Relationship Management	Customer/ Stakeholder Relationship Management	Number of quarterly Customer Complaint reports submitted to Council (inclusive of Presidential Hotline)	4.1	4.1.4	internal	2	4	3	Not Achieved	Council resolved that the report be improved to include other aspects. Muncomp could not develop the system in due time.	Muncomp has improved the system ,the response unit is now able to resolve issues on the system	Copy of quarterly Customer Complaint reports

KPA 6: Local Economic Development

Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Economic Growth and Development	Economic Growth and Development	Number of reports submitted to Council with respect to the Corporate Social Investment (CSI) programmes of both Business and Mining organisations (bi-annual)	6.1	6.1.3	internal	2	2	0	Not Achieved	Due to the non-sitting of the LED Forum, the municipality was unable to engage stakeholders	Resuscitation of the LED Forum with the assistance of NDM and DEDET	Copies of quarterly reports submitted to Council
		Number of skills development initiatives scheduled and held in terms of the youth each quarter		6.1.4	internal	4	4	7	Achieved	None	None	Copies of the agenda and attendance register

KPA 6: Local Economic Development

Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Economic Growth and Development	Economic Growth and Development	Number of SMME's and Cooperative s capacity building skill workshops scheduled and held by the 30th Jun 2018 (exclusively for youth owned companies/ co-operatives)		6.1.5	internal	4	4	6	Achieved	None	None	Copy of close-out reports for each event
		Number of events held to promote tourism within the municipality bi-annually		6.1.6	internal	2	2	0	Not Achieved	The financial position of the municipality prevented us from hosting the events	The events will be held in the next financial year	Copy of close-out reports for each event

KPA 6: Local Economic Development

Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Economic Growth and Development	Youth Development	Number of Youth Development Summits held by 30 June 2018	6.2	6.2.2	internal	1	1	0	Not Achieved	The South African Youth Council is not functional	Revive the South African Youth Council so that it can make resolutions to the municipality	Council resolution to host the event and close out report

4.2 Budget & Treasury

The Budget and Treasury Department is responsible for a total of **23 KPI's** of which all were eligible for assessment in the period under review and combine to contribute to the overall performance level for the IDP and Adjustment SDBIP Scorecards. The statistics for the Department are as follows.

Table 3: Budget & Treasury Statistics

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Under Target	% Under Target
IDP	5	3	60.0%	2	40.0%
SDBIP	18	13	72,2%	5	27,8%
Total	23	16	69,6%	7	30,4%

The individual performance of each KPI per KPA is highlighted in the following departmental scorecard.

IDP Scorecard

KPA 1: Basic Service Delivery and Infrastructure Development Strategic Goal: Improved social protection and education outcomes

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Indigent	% of households earning less than R3000 per month with access to free basic services by 30 th June 2018 (GKPI)	1.11	N/A	internal	100%	100%	0%	Not Achieved	The Approval of Indigents for 2017/18 still waiting Council Approval	Fast track the approval of indigents.	Copy of approved monthly indigent register submitted to Council

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Viability	Financial Viability	Approval of MTREF Budget by the 31st May 2018	2.1	N/A	internal	1	1	1	Achieved	None	None	Copy of the approved Final Annual budget
		% consumer payment level received with respect for services billed per quarter		N/A	internal	90%	75%	70%	Not Achieved	Monitoring of Revenue enhancement strategy to ensure that all monies owed to council are collected.	Close monitoring of the Revenue enhancement strategy to ensure that all top 20 debtors are paying their Services.	Copy of monthly Section 71 report
Financial Management	Financial Management	Draft Annual Financial Statements (AFS) submitted on or before the 31st Aug 2017	2.2	N/A	internal	1	1	1	Achieved	None	None	Copy of the Draft AFS
	Supply Chain Manage	Number of quarterly SCM reports submitted to	2.3	N/A	internal	4	4	4	Achieved	None	None	Copy of the quarterly SCM report

SDBIP Scorecard

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial management	Financial Management	Number of monthly section 71 MFMA reports submitted to Mayoral committee within legislative timeframes	2.2	2.2.1	internal	8	12	8	Not Achieved	The targets were incorrectly changed during the adjustment SDBIP. The annual target should be 8 and not 12	Revise the targets accordingly in the new financial year	Copy of monthly section 71 report
		Midyear section 72 MFMA report submitted to Mayoral committee within legislative timeframes		2.2.2	internal	1	1	1	Achieved	None	None	Copy of the Section 72 Report

by 25
January
2018



KPA 2: Financial Viability and Finance Management
Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial management	Financial management	Number of quarterly section 52(d) MFMA reports submitted to Mayoral committee within legislative timeframes		2.2.3	internal	4	4	4	Achieved	None	None	Copy of the quarterly section 52(d) report
		% of approved (compliant) invoices paid within 30 days		2.2.4	internal	100%	100%	74%	Not Achieved	Payments were not made within 30 days due to cash flow constraints	A cash flow management committee was established to prioritize all financial issues within the municipality	Copy of the monthly expenditure invoice reconciliation report

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial management	Financial Management	% spend on conditional FMG grant per month	2.2	2.2.6	FMG	100%	100%	100%	Achieved	None	None	Copies of the monthly FMG Report
		% of employees exceeding legislated overtime levels stipulated as not more than (40) hours per month per employee (Finance only)		2.2.10	internal	New	0%	8%	Not Achieved	A few employees had to work during the key changes of prepaid meters and assist in activating the new SGC numbers in the system.	Close monitoring of the employees working excess overtime as well as pre-approvals by the authorised supervisors	Copies of approved financial overtime schedule report
		% Debt coverage ratio (GKPI) by 30th Jun 2018		2.2.12	internal	New	40%	33%	Achieved	None	None	Copy of the quarterly section 52(d) report
		% outstanding service debtors to revenue (GKPI) by 30th Jun 2018		2.2.13	internal	New	32%	33%	Achieved	None	None	Copy of the quarterly section 52(d) report

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial management	Financial management	Cost coverage ratio (GKPI) by 30th Jun 2018	2.2	2.2.14	internal	New	7.8:1	7.8:1	Achieved	None	None	Copy of the quarterly section 52(d) report

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial management	Supply Chain Management	Average # of days elapsed (<90), measured in terms of the competitive bidding process closing for tenders over R200,000	2,3	2.3.1	internal	<30	<90	<90	Achieved	None	None	Copy of the advert and appointment letter
		Number of quarterly deviation reports submitted to the MM (Total organisation)	2,3	2.3.2	internal	4	4	4	Achieved	None	None	Copy of the quarterly SCM deviation report
		Annual submission of the asset verification report to the		2.3.3	NDM	1	1	1	Achieved	None	None	Copy of the fixed asset verification report

MM by 30th
June 2018

KPA 3: Institutional Development and Transformation
Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational Efficiency	Performance Management	% of KPIs attaining organisational targets by 30th Jun 2018 (Finance)	3,4	3.4.6	internal	67,7%	100%	60,9%	Not Achieved	There was a change of a financial system during the financial year which resulted in some of the KPI's not being achieved	There will be improvement of internal controls to achieve better results in the new financial year.	Copy of the quarterly consolidated performance report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Internal Audit	% of AG Management Letter findings resolved by 30th Jun 2018 (Finance only)	4.7	4.7.5	internal	New	100%	100%	Achieved	None	None	Copy of the quarterly AG Action Plan status report
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (Finance only)		4.7.6	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly internal audit report
	Good Governance	Number of new/reviewed policies approved by Council by 30th Jun 2018 (Finance only)	4.2	4.2.8	internal	New	12	17	Achieved	None	None	Copies of approved reviewed / new Policies
		% of Council meetings resolutions resolved per quarter (Finance only)		4.2.9	internal	New	100%	100%	Achieved	None	None	Copy of quarterly status report of Council resolutions resolved

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Risk Management	% execution per quarter of Risk Management Plan in line with detailed time schedule (Finance only)	4.3	4.3.3	internal	New	100%	84%	Not Achieved	Some could not be executed due to financial constraints	There should be an improvement in the finances	Copy of the quarterly Risk Report

4.3 Corporate Services

The Corporate Services Department is responsible for a total of **27 KPI's**, of which all were eligible for assessment in the period under review and combine to contribute to the overall performance level for the IDP and Adjustment SDBIP Scorecards. The statistics for the Department are as follows.

Table 4: Corporate Services

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Under Target	% Under Target
IDP	4	1	25.0%	3	75.0%
SDBIP	23	12	56,2%	11	47.8%
Total	27	13	48,1%	14	51,9%

The individual performance of each KPI per KPA is highlighted in the following departmental scorecard.

IDP Scorecard

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational Efficiency	Organisational Development	% approved critical positions processed within (3) months (Sec 56/54 A) which will become vacant during 2017/18	3.1	N/A	internal	100%	100%	50%	Not Achieved	Both the ED: Tech. Services and ED: Social Services were appointed on 02 May 2018, however the ED: Tech. Services declined the offer.	The position of the ED: Tech. Services was re-advertised on 29 July 2018.	Copies of Progress report submitted to Council

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational Efficiency	Organisational Development	Submit a Final report to the MM after conducting an employee satisfaction by 30 Jun 2018		N/A	internal	1	1	0	Not Achieved	Questionnaires were distributed to all employees however the response from employees was not positive	A report will be drafted on those that were received and a further report drafted to all employees on the reasons why they did not respond	Copy of final satisfaction survey evaluation report

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Organisational Development	Organisational Development	Number of employees from previously disadvantaged groups appointed in the three highest levels of management as per the approved 2017/18 EE plan (GKPI)	3.2	N/A	internal	100%	3	0	Not Achieved	Due to the financial constraints, the MM placed a technical moratorium on the filling of new positions especially on this category	All stakeholders within the municipality must work towards improving the collection rate of the municipality thereby improving the cash flow	Copies of appointment letters
		% of budget spent implementing the Workplace Skills Plan (GKPI) by 30 Jun 2018	3.3	N/A	internal	New	100%	100%	Achieved	None	None	Copies of the WSP and section 52 (d) report

SDBIP Scorecard

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Management	Financial Management	Number of monthly reports submitted to Council in terms of legislated overtime levels (Total Organisation)	2.2	2.2.19	internal	11	11	10	Not Achieved	The Council meeting scheduled for the month of June 2018 was postponed	The reports that were submitted to the Council meeting that did not sit will be submitted in the ensuing Council meetings	Copies of monthly overtime reports
		% of employees exceeding legislated overtime levels stipulated as not more than (40) hours per month per		2.2.20	internal	New	0%	0%	Achieved	None	None	Copies of approved financial overtime schedule report

	submitted to Council							month of June 2018 was postponed	did not sit will be submitted in the ensuing Council meetings	
	% of approved vacant posts (below Sec 56/54 A)(previously filled) processed within (3) months	3.1.4	internal	75%	100%	100%	Achieved	None	None	Copies of appointment letters

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Organisational Development	Organisational Development	Number of monthly progress reports submitted to Council with respect to the status of the job evaluation exercise	3.1	3.1.13	internal	New	12	0	Not Achieved	The Job Descriptions are evaluated by the NDM Task Evaluation Committee and which unit is not functioning since August 2016	The matter is with NDM	Copies of monthly job evaluation progress reports

Workplace Skills Development	Workplace Skills Plan (WSP) and Annual Training Report (ATR) submitted on due date 30 April 2018	3.3	3.3.1	internal	1	1	1	Achieved	None	None	Copies of WSP and ATR submitted to the LG SETA
	Number of quarterly training status reports submitted to the District per quarter		3.3.4	internal	New	4	4	Achieved	None	None	Copy of monthly training status report submitted to the District

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Organisational Development	Workplace Skills Development	Number of employees trained per quarter in line with the approved 2017/18 WSP	3.3	3.3.3	internal	83	41	106	Achieved	None	None	Copies of the approved WSP report and monthly training status report submitted to the District

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Organisational Development	Workplace Health and Safety	Number of monthly workplace inspections conducted and submitted to the SHE committee	3.5	3.5.4	internal	New	300	225	Not Achieved	The incumbent had miscalculated the number of workplace stations within the organisation	The incumbent was taken through a disciplinary process hence there was improvement in the 4 th quarter	Copies of monthly inspection reports x 25 workplaces
		Number of quarterly SHE meeting minutes submitted to the MM		3.5.2	internal	3	4	3	Not Achieved	The item was submitted to the office of the MM however it was never prioritized to be included in the MANCO agenda	Discussion were held with the current Acting MM to prioritize the issues for discussion	Copy of the quarterly SHE meeting minutes
		Number of employees who have participated in the approved 2017/18 Wellness programmes per quarter		3.5.3	internal	115	200	75	Not Achieved	The financial status of the municipality prevented us from implementing the programmes	Some of the programmes will be moved to the next financial year	Copy of the quarterly Employee Wellness Programme (EWP) register

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Organisational Development	Labour Relations	Number of Local Labour Forum (LLF) meetings held every second month as per approved Calendar of Events	3.6	3.6.1	internal	7	6	5	Not Achieved	Difficulties in terms of achieving a quorums and the none submission of agenda items by organized labour	Encourage the joint secretariat to compile items way ahead of time due to challenges faced by labour in terms of compiling items	Copy of the minutes of the meetings held and the attendance registers
Operational Efficiency	Performance Management	% of KPIs projects attaining organisational targets by 30 Jun 2018 (CS)	3.4	3.4.4	internal	68%	100%	44,4%	Not Achieved	The financial constraints and the interpretation of the KPI's especially on SHE	Proper planning in the next financial year	Copy of the quarterly consolidated performance report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Risk Management	% execution per quarter of Risk Management Plan in line with detailed time schedule (CS only)	4.3	4.3.1	internal	85%	85%	100%	Achieved	None	None	Copy of the quarterly Risk Report
	Internal Audit	% of Internal Audit Findings resolved per quarter as per the Audit Plan (CS only)	4.7	4.7.1	internal	100%	100%	None Received	Achieved	None	None	Copy of the quarterly internal audit report
		% of AG Management Letter findings resolved by 30 Jun 2018 (CS only)		4.7.2	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly AG Action Plan status report
	Good Governance	Number of ordinary Council meeting held by June 2018 as per the	4.2	4.2.1	internal	11	11	8	Not Achieved	The meetings would be postponed at the eleventh hour by the delegated authority	The ED:CS does not have a direct control over the sittings of Council meetings hence the KPI was moved to the office of	Council meeting minutes

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	Number of Section 79 Committee meetings held per quarter	4.2	4.2.3	internal	9	33	33	Achieved	None	None	Copies of agenda and minutes of each of Section 79 Committee meeting convened
		% of Council meeting resolutions resolved per quarter (CS only)		4.2.4	internal	100%	100%	100%	Achieved	None	None	Copy of quarterly status report of Council resolutions resolved
		Number of new/reviewed policies approved by Council by 30 June 2018 (CS only)		4.2.14	internal	20	10	2	Not Achieved	The remaining policies were not reviewed because they were not due for reviewal	None	Copies of approved reviewed / new Policies

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4.4 Community & Social Services

The Community and Social Services Department is responsible for a total of **21 KPI's**, of which all were eligible for assessment in the period under review and combine to contribute to the overall performance level for the IDP and Adjustment SDBIP Scorecards. The statistics for the Department are as follows.

Table 5: Community and Social Services Statistics

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Under Target	% Under Target
IDP	2	1	50.0%	1	50.0%
SDBIP	19	9	47.4%	10	52.6%
Total	21	10	47.6%	11	52.4%

The individual performance of each KPI per KPA is highlighted in the following departmental scorecard.

IDP Scorecard

KPA 1 - Basic Service Delivery and Infrastructure

Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Waste Removal	Number of households in Formal areas with access to a minimum level of basic waste removal once per week - (kerbside collection) (GKPI)	1.5	N/A	internal	12 136	25000	11273	Not Achieved	Social Services is relying on Budget and Treasury for the number accounts sent to households.	Social Services to verify with Budget and Treasury as well as with Technical Services on the number of households.	Copies of weekly schedule and the signed street list by the driver which will then be approved by the supervisor
	Disaster Management	% response time after hours (10 min) with respect to the request for emergency services received per month to vehicles out the gate		N/A	internal	92%	85%	97%	Achieved	None	None	Copies of monthly statistics register

SDBIP Scorecard

KPA 1: Basic Service Delivery and Infrastructure Development

Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Waste removal	Number of community awareness campaigns in terms of waste management implemented per quarter	1.5	1.5.1	internal	2	4	7	Achieved	None	None	Copy of close-out report for each campaign
		Number of formal household areas with refuse collection services per week as per approved schedules		1.5.3	internal	New	25	15	Not Achieved	The indicator was not smartly crafted hence the issue of different interpretations	Re-crafting of the indicator during the adjustment SDBIP in January 2019	Copies of weekly approved (signed) waste removal collection schedules
	Road Safety	Number of road safety awareness / prevention campaigns implemented	1.9	1.9.1	internal	2	4	0	Not Achieved	There was an error when compiling the Technical Data Sheet, we included National and Provincial campaigns instead	The Technical Data Sheet will be amended accordingly so as to speak to the indicator.	Copy of close-out reports for each campaign

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KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Disaster Management	% availability of emergency response vehicles per quarter to comply to the codes of practice (SANS 10090)	1.10	1.10.1	NDM	92%	85%	63.2%	Not Achieved	Cash flow challenges	Most vehicles have been sent for repairs in the new financial year	Copies of monthly fleet availability statistics
		Number of community awareness programmes conducted per quarter with respect to emergency / disaster risk awareness		1.10.2	internal	4	6	6	Achieved	None	None	Copy of close-out reports for each Public awareness programme held

	% response time normal hours (5 min) with respect to the request for emergency services received per month to vehicles out the gate		1.10.3	internal	92%	85%	86.1%	Achieved	None	None	Copies of monthly statistics register
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KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved social protection and education outcomes

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseli ne	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Libraries	Number of community members utilizing the library facilities monthly, excluding PC users	1.12	1.12.1	internal	19 991	>20 000	12714	Not Achieved	Delmas library not opened since renovation. Challenges with electricity connection	DCSR is going to intervene	Copies of monthly statistics register with names, addresses and signatures
		Number of PC users at the Library facilities per quarter		1.12.2	internal	7 910	>6 400	10430	Achieved	None	None	Copies of monthly statistics register

	Cemeteries	% spend of operational budget in terms of Cemetery site maintenance per quarter		1.12.10	internal	100%	100%	30%	Not Achieved	Due to financial constraints the whole budget could not be spent	Availability of finances will improve the performance	Copy of section 52d report
	Environment	Number of Greening and environmental awareness campaigns and initiatives implemented per quarter		1.12.11	internal	1	4	4	Achieved	None	None	Copy of close-out reports for each campaign held

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Management	Financial Management	% of employees exceeding legislated overtime levels stipulated as not more than (40) hours per month per		2.2.16	internal	New	0%	1.3%	Not Achieved	Excessive overtime worked during the festive season overslept to the January payroll	None	Copies of approved financial overtime schedule report

		employee (CSS only) (excl., essential services)									
		% of employees exceeding legislated overtime levels stipulated as not more than (45) hours per month per employee (CSS only) (essential services)	2.2.17	internal	New	20%	19.1%	Achieved	None	None	Copies of approved financial overtime schedule report

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE

Operational Efficiency	Performance Management	% of KPIs attaining organisational targets by 30 Jun 2018 (CSS)	3.4	3.4.5	internal	59,60%	100%	61,9%	Not Achieved	Other KPI's require help from other directorates for implementation	There should be improvement in coordination with other directorates	Copy of the quarterly consolidated performance report
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KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Internal Audit	% of AG Management Letter findings resolved by 30 Jun 2018 (CSS only)	4.7	4.7.3	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly AG Action Plan status report
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (CSS only)		4.7.4	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly internal audit report

	Risk Management	% execution per quarter of Risk Management Plan in line with detailed time schedule (CSS only)	4.3	4.3.2	internal	66,7%	80%	73.5%	Not Achieved	Some could not be executed due to financial constraints	There should be an improvement in the finances	Copy of the quarterly Risk Report
	Good Governance	Number of new/reviewed policies approved by Council by 30 June 2018 (CSS only)	4.2	4.2.6	internal	3	3	0	Not Achieved	Some policies were discussed at PDC level only	The time frame for the development of policies up to approval by council should be improved	Copies of approved reviewed / new Policies

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Good Governance	% of Council meeting resolutions resolved per quarter (CSS only)	4.2	4.2.7	internal	100%	100%	90%	Not Achieved	Some of the resolutions are out of our control and require inputs from other directorates	Proper coordination directorates in implementing council resolutions	Copy of quarterly status report of Council resolutions resolved

KPA 6: Local Economic Development

Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Economic Growth and Development	Economic Growth and Development	Number of EPWP Full Time Equivalent (FTE's) created through social, culture and environment initiatives per quarter	6,1	6.1.2	DPW	178	160	294.8	Achieved	None	None	Copy of monthly DPW Summary report

4.5 Technical Services

The Technical Services Department is responsible for a total of **23 KPI's**, of which all were eligible for assessment in the period under review and combine to contribute to the overall performance level for the IDP and Adjustment SDBIP Scorecards. The statistics for the Department are as follows.

Table 6: Technical Services Statistics

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Under Target	% Under Target
IDP	6	3	50.0%	3	50.0%
SDBIP	17	12	70.6%	5	32.4%
Total	23	15	65.2%	8	34.8%

The individual performance of each KPI per KPA is highlighted in the following departmental scorecard.

IDP Scorecard

KPA 1: Basic Service Delivery and Infrastructure Development

Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Sanitation	% of households with access to basic levels of sanitation by 30 Jun 2018 – (converted toilets) (GKPI)	1.1	N/A	MIG	(88,9%)	90.1%	100.6%	Achieved	None	None	Beneficiary Letters
	Water	% of new households with access to basic levels of water by 30 Jun 2018 (stand piped inside yard) (GKPI)	1.2	N/A	MIG	(86.9%) 19 585	93.6%	0%	Not Achieved	As the municipality did not provide new housing. Therefore, empty stands were serviced with water reticulation. The indicator is designed to measure the level of access to basic levels of water	Revised the KPI statement to read as follows “ Percentage of new households or service stand with access to basic levels of water by 30 June 2018 (GKPI)”.	Household connection register

KPA 1: Basic Service Delivery and Infrastructure Development

Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Housing	Number of quarterly reports submitted to Council with respect the # of new RDP Housing units provided by the PDoHS by June 2018	1.3	N/A	internal	4	4	11	Achieved	Misalignment of internal reporting to the report required to be submitted to council.	The municipality will replace the word "quarterly" with the word "monthly" to the description of the KPI.	Copies of quarterly reports tabled at Council
	Electricity	% of households with access to basic levels of electricity by 30 Jun 2018 (GKPI)	1.6	N/A	INEP	(93.5%) 20 680	98.9%	93.5%	Not Achieved	Delays in provision of formal housing by DHS	DHS has initiated the housing project	Certificate of Compliance (CoC)
	Roads and Storm Water	Number of Kms of tarred roads and storm water provided by 30 Jun 2018	1.7	N/A	MIG	1,45	1.5	1.4	Not Achieved	Cost estimate different from the tender cost	None Required	Completion certificates provided by contracted consultants

KPA 6: Local Economic Development

Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Economic Growth and Development	Economic Growth and Development	Number of EPWP Full Time Equivalent (FTE's) job opportunities provided through the implementation of infrastructure projects by 30 Jun 2018 (GKPI)	6,1	N/A	EPWP	20	4	19.1	Achieved	None	None	Monthly DPW Summary report

SDBIP Scorecard

KPA 1: Basic Service Delivery and Infrastructure Development

Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget R 000's	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Sanitation	Number of households in Formal Human Settlements (connected to waterborne sewerage) by June 2018	1.1	1.1.1	MIG	206	250	0	Not Achieved	Misinterpretation of the indicator by including chemical toilets in the calculation	Re-crafting of the indicator during the adjustment SDBIP in January 2019	Connection point register
		% current achievement of the Department of Water Affairs (DWA) Green Drop certification programme		1.1.3	internal	87,3%	<80%	Undetermined	Not Achieved	DWS has not published the results	Revise the KPI as the % of achievement is reliant on DWS	Copies of quarterly Department of Water Affairs (DWA) Green Drop certification programme results
	Water	% current achievement of the Department of Water Affairs (DWA) Blue Drop certification programme	1.2	1.2.3	internal	73,5%	<80%	Undetermined	Not Achieved	DWS has not published the results	Revise the KPI as the % of achievement is reliant on DWS	Copies of quarterly Department of Water Affairs (DWA) Blue Drop certification programme results

KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget R 000's	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Electricity	Number of High Mast Light units installed by June 2018 - All Wards	1.6	1.6.3	MIG	5	4	6	Achieved	None	None	Copies of completion certificates provided by contracted consultants
		% spend of EEDS funding with respect to the fitment of energy efficient electricity globes by 30 Jun 2018	1.6	1.6.1	EEDS	New	100%	100%	Achieved	None	None	Certificate of compliance (CoC)
	Project Management	Number of Capital projects completed in terms of agreed schedule excluding NDM funded projects by 30 Jun 2018	1.4	1.4.2	internal	100%	5	5	Achieved	None	None	Copies of practical completion certificates

KPA 1: Basic Service Delivery and Infrastructure Development
Strategic Goal: Improved provision of basic services to the residents of VKLM

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget R 000's	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Service Delivery	Project Management	% spend of new Capital projects in terms of budget excl., NDM funded projects by 30 Jun 2018	1.4	1.4.3	Capital Budget	92%	100%	0%	Not Achieved	The description of the KPI did not clearly describe the definition and measurement requirement without presenting ambiguity	Add the word 'multiyear' to the description of the KPI. The KPI description will read as follows "Percentage of spend of new or multiyear capital projects in terms of budget excluding NDM (Nkangala District Municipality) funded projects by 30 June 2018".	Copy of Section 52d report
		% spend on conditional MIG grant by 30 Jun 2018		1.4.4	MIG	100%	100%	100%	Achieved	None	None	Copies of the monthly reports submitted to the Department of Public Works

KPA 2: Financial Viability and Finance Management

Strategic Goal: Improved compliance to MFMA and VKLM policy Framework

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Financial Management	Financial Management	% of employees exceeding legislated overtime levels stipulated as not more than (40) hours per month per employee (TS) (excl., essential services)	2.2	2.2.24	internal	New	10%	4%	Achieved	None	None	Copies of approved financial overtime schedule report
		% of employees exceeding legislated overtime levels stipulated as not more than (45) hours per month per employee (TS) (essential services)		New	internal	New	30%	16.3%	Achieved	None	None	Copies of approved financial overtime schedule report

KPA 3: Institutional Development and Transformation

Strategic Goal: Improved efficiency and effectiveness of the Municipal Administration

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Operational Efficiency	Performance Management	% of KPIs attaining organisational targets by 30 Jun 2018 (TS)	3.4	3.4.3	internal	59,6%	100%	73,9%	Not Achieved	Most of the KPI's that were not archived were to beyond the municipal area of performance	To ensure that the municipality report	Copy of the quarterly consolidated performance report

KPA 4: Good Governance and Public Participation

Strategic Goal: Improve community confidence in the system of local government

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Good Governance	Internal Audit	% of AG Management Letter findings resolved by 30 Jun 2018 (TS)	4.7	4.7.11	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly AG Action Plan status report

	% of Internal Audit Findings resolved per quarter as per the Audit Plan by 30 Jun 2018 (TS)		4.7.12	internal	100%	100%	100%	Achieved	None	None	Copy of the quarterly internal audit report
Risk Management	% execution per quarter of Risk Management Plan in line with detailed time schedule by (TS)	4.3	4.3.9	internal	85%	100%	100%	Achieved	None	None	Copy of the quarterly Risk Report
Good Governance	% of Council meeting resolutions resolved per quarter (TS)	4.2	4.2.5	internal	100%	100%	100%	Achieved	None	None	Copy of quarterly status report of Council resolutions resolved

KPA 5: Spatial Development

Strategic Goal: Increase regularisation of built environment

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Action	POE
Land Tenure and Spatial Development	Land Tenure and Spatial Development	% of new registered building plan applications submitted and approved within agreed timeframes of 28 days	5.1	5.1.1	internal	100%	100%	100%	Achieved	None	None	Copy of application Register

KPA 6: Local Economic Development

Strategic Goal: Increased economic activity and job creation

Strategic Thrust	Programme	KPI	IDP Link	SDBIP Ref No	Budget Source	Baseline	2017/18					
						2016/17	Annual Target	Actual	Achievements	Challenges	Corrective Actions	POE
Economic Growth and Development	Economic Growth and Development	Number of Capital projects that provide employment through EPWP initiatives per quarter	6,1	6.1.1	Capital Budget	100%	7	7	Achieved	None	None	Job opportunity report

CHAPTER 5 FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Payment rate remains a challenge specifically in areas where Council does not provide electricity directly.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2013/2014

6.1 AUDITOR GENERAL REPORTS 2017/18

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Victor Khanye Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Victor Khanye Local Municipality set out on pages xx to xx, which comprise the appropriation statement, the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and 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 effect of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Victor Khanye Local Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the requirements of 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, 2017 (Act No. 3 of 2017) (Dora).

Basis for qualified opinion

VALUE-ADDED TAX (VAT) RECEIVABLE

3. I was unable to obtain sufficient appropriate audit evidence for the VAT receivable, as the municipality did not have adequate systems to record input and output VAT. Furthermore, differences were noted between the amount as per the VAT statement from the South African Revenue Service and the VAT receivables, resulting in the VAT receivable being overstated by R28 817 747 (2016-17: R8 025 727). I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary relating to the VAT receivable amounting to R30 060 405 (2016-17: R16 587 216) disclosed in note 12 to the financial statements.

PAYABLES FROM EXCHANGE TRANSACTIONS

4. The municipality did not have adequate systems to maintain records of accounts payable. This resulted in accounts payables being overstated by R94 983 963 (2016-17: R37 239 178). In addition, I was unable to obtain sufficient audit evidence for the amount disclosed as payables. I could not confirm payables by alternative means. Consequently, I was unable to determine whether any further

adjustments were necessary relating to payables from exchange transactions amounting to R221 689 675 (2016-17: R87 841 388) disclosed in note 18 to the financial statements.

CASH FLOW STATEMENT

5. I was unable to obtain sufficient appropriate audit evidence for the amounts included in the cash flow statement. The municipality could not provide sufficient calculations to substantiate these amounts. I was unable to confirm these amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the cash flow statement.

Context for the opinion

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
7. 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.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

RESTATEMENT OF CORRESPONDING FIGURES

10. As disclosed in note 56 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

MATERIAL IMPAIRMENTS – CONSUMER DEBTORS

11. As disclosed in notes 13 and 32 to the financial statements, the consumer debtors' transactions balance was significantly impaired. The impairment of consumer debtors amounted to R344 888 463 (2016-17: R363 528 183), which represented 60% (2016-17: 67%) of the total consumer debtors. The reversal to the provision for debt impairment was R3 198 252 (2016-17: R8 520 439 contribution).

MATERIAL LOSSES – ELECTRICITY

12. As disclosed in note 33 to the financial statements, material electricity losses of R23 971 796 (2016-17: R9 818 916) were incurred, which represented 22% (2016-17: 11%) of the total electricity purchased.

MATERIAL LOSSES – WATER

13. As disclosed in note 33 to the financial statements, material water losses of R54 220 999 (2016-17: R3 555 647) were incurred, which represented 70% (2016-17: 9%) of the total water purchased.

UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

14. As disclosed in note 40 to the financial statements, the municipality incurred unauthorised expenditure of R32 696 356, due to the overspending of the approved operational budget.
15. As disclosed in note 41 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R6 355 990, due to interest charges on overdue accounts.

16. As disclosed in note 42 to the financial statements, the municipality incurred irregular expenditure of R9 080 647, as it did not follow proper procurement and contract management processes.

Other matter

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

UNAUDITED DISCLOSURE NOTES

18. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. 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

19. 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.
20. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

21. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.
22. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

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

25. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following development priorities presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priorities	Pages in the annual performance report
KPA 1 – infrastructure and basic service delivery	xx – xx
KPA 6 – local economic development	xx – xx

26. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
27. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

KPA 1 – infrastructure and basic service delivery

NUMBER OF LEARNERS PROVIDED WITH FINANCIAL SUPPORT (MAYORAL COMMUNITY PROGRAMME) BY THE 31ST MARCH 2018

28. I was unable to obtain sufficient appropriate audit evidence for the reported achievement. This was due to limitations placed on my work and the non-submission of supporting documents for students who were awarded financial support through the mayoral community programme. I was unable to confirm the reported figure achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 82 as reported in the annual performance report.

NUMBER OF PC USERS AT THE LIBRARY FACILITIES PER QUARTER

29. I was unable to obtain sufficient appropriate audit evidence for the reported achievement. This was due to limitations placed on my work and the non-submission of registers of computer users at the library. I was unable to confirm the reported figure achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 10 430 as reported in the annual performance report.
30. I was further unable to obtain sufficient appropriate evidence that the predetermined evidence to be used when measuring the actual achievement for the indicator was clearly defined. This was due to the intention of the indicator being 'to measure the number of community members accessing the library for computer usage PC (computer)' but the evidence provided showing 'the number of user visits to libraries to use PC (computer)'. I was unable to test whether the indicator was well defined by alternative means.

NUMBER OF COMMUNITY MEMBERS UTILIZING THE LIBRARY FACILITIES MONTHLY, EXCLUDING PC USERS

31. I was unable to obtain sufficient appropriate audit evidence for the reported achievement. This was due to limitations placed on my work and the non-submission of registers of community members using the library facilities. I was unable to confirm the reported figure achievement by alternative

means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 12 714 as reported in the annual performance report.

32. I was further unable to obtain sufficient appropriate evidence that clearly defined the predetermined evidence to be used when measuring the actual achievement for the indicator. This was due to the intention of the indicator being 'to measure the number of community members accessing the library' but the evidence provided showing 'the number of visits to libraries'. I was unable to test whether the indicator was well defined by alternative means.

NUMBER OF QUARTERLY REPORTS SUBMITTED TO COUNCIL WITH RESPECT TO THE NUMBER OF RDP HOUSING UNITS PROVIDED BY THE PDOHS BY JUNE 2018

33. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined evidence and method of calculation to be used when measuring the actual achievement for the indicator. This was due to the misalignment of the frequency of internal reporting and reporting to the council. Based on the audit work performed, I identified internal management reports on a monthly basis on the number of RDP housing units provided – these reports were reported to the council in inconsistent periods (i.e. monthly/bimonthly). This resulted in inconsistencies when measuring the performance due to the indicator requiring quarterly reporting. The misalignment described above resulted in the number of reports to the council during the year exceeding four quarters.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC LEVELS OF SANITATION BY 30 JUNE 2018 (CONVERTED TOILETS) (GKPI)

34. I was unable to obtain sufficient appropriate audit evidence for the reported achievement. This was due to limitations placed on the scope of my work due to the non-submission of registers and listings of households provided with access to basic levels of sanitation. I was unable to confirm the reported figure achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 101% as reported in the annual performance report.

KPA 6 – Local economic development

NUMBER OF EPWP FULL TIME EQUIVALENT (FTE'S) JOB OPPORTUNITIES PROVIDED THROUGH THE IMPLEMENTATION OF THE INFRASTRUCTURE PROJECTS BY 30 JUNE 2018 (GKPI)

35. The reported achievement was misstated as the evidence provided indicated 29 and not 19 as reported.

NUMBER OF EPWP FULL TIME EQUIVALENTS CREATED THROUGH SOCIAL, CULTURE AND ENVIRONMENT INITIATIVES PER QUARTER

36. I was unable to obtain sufficient appropriate audit evidence for the reported achievement, due to limitations placed on the scope of my work and the non-submission of time sheets of EPWP workers. I was unable to confirm the reported achievement by alternative means.

NUMBER OF CAPITAL PROJECTS THAT PROVIDE EMPLOYMENT THROUGH EPWP INITIATIVES PER QUARTER

37. The achievement reported in the annual performance report was seven. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of six.

Other matters

38. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

39. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 28 to 37 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

40. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 – basic service delivery and infrastructure and KPA 6 – local economic development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE REPORT AND ANNUAL REPORT

43. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified audit opinion.

EXPENDITURE MANAGEMENT

44. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
45. Reasonable steps were not taken to prevent irregular expenditure amounting to R9 080 647, as disclosed in note 42 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management (SCM) regulation 29.
46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R6 355 990, as disclosed in note 41 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 incurred on the municipality's bulk water and electricity accounts.
47. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R32 696 356, as disclosed in note 40 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by a lack of monitoring expenditure against the approved budget.

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

48. No consultation with the district municipality during the amendment of the integrated development plan was conducted, as required by municipal planning and performance management regulation (3)(6)(a).

49. 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.
50. The oversight report adopted by the council on the 2016-17 annual report was not made public, as required by section 129(3) of the MFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

51. Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) and the codes of conduct for councillors and for staff members issued in terms of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).
52. The preference point system was not applied for some of the procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA).
53. Some contracts and quotations were awarded to bidders based on preference points that were not calculated in accordance with the requirements of the PPPFA and its regulations.
54. Some 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. Similar non-compliance was also reported in the prior year.

HUMAN RESOURCE MANAGEMENT

55. Financial interests were not disclosed by senior managers within 60 days from the date of appointment, as required by regulation 36(1)(a) on the appointment and conditions of employment of senior managers.

CONSEQUENCE MANAGEMENT

56. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
57. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
58. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

59. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this 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 and the

selected development priorities presented in the annual performance report, 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. After I receive and read this information, and if I conclude that there is a material misstatement, 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 on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
64. The accounting officer did not adequately review the annual financial statements and annual performance report prior to their submission for auditing.
65. There was insufficient capacity to adequately plan, manage and report on performance.
66. Non-compliance with laws and regulations could have been prevented had compliance been properly monitored.
67. Daily and monthly controls were not implemented throughout the year, resulting in material misstatements identified during the audit.

Mbombela

30 November 2018



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 development priorities 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 this auditor's report, I also:
- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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.



COMPONENT B: REMEDIAL ACTION TAKEN TO ADDRESS THE ABOVE AND PREVENTATIVE MEASURES.

VICTOR KHANYE MUNICIPALITY							
AUDIT ACTION PLAN 2017-2018							
No	MR PG REF	Catergory / Key area	Focus area (Finding)	Audit Procedures to be undertaken to address the finding	Due date	Responsibl e person	Key Deliverable
PPE AND OTHER FINANCIAL ASSETS							
	148	OTHER FINANCIAL ASSETS: FINANCIAL STATEMENT ACCOUNTING POLICY	1. Other financial assets presented in note7 of the annual financial statements consists of Sanlam shares and the accounting policy note 1.8 for financial instruments which includes other financial assets states that other financial assets are measured at amortized cost. This is in contradiction with GRAP 104 which states that investments in equity instruments should be measured at fair value. The municipality measured other financial assets at fair value, which is not consistent with the municipality's accounting policy disclosed in the annual financial statements for measuring financial assets at amortised cost.	Adjust the Annual Financial statement and align them to the Municipal approved accounting policy or the accounting standard for financial assets which is inline with GRAP 104 which states that investments in equity instruments should be measured at fair value. Necessary adjusting journal to correct the understatement of financial assets. Accounting policies will be reviewed to ensure they are GRAP compliant. All financial assets will be reviewed to ensure that they are compliant with GRAP and accounting policies. Financial assets will be restated with correcting	31-Jan-19	Assistant Manager: Asset Management	Annual Financial Statement Notes Correcting Adjusting Journals

			<p>2. Other financial assets have been incorrectly valued at year end at R120 251.00 instead of R142 349.40.</p> <p>3. The fair value adjustment on these shares has not been disclosed on the face of the statement of financial performance for the year ended 30 June 2018.</p>	entries processed to ensure that they are correctly disclosed at fair value.			
	168	PROPERTY, PLANT AND EQUIPMENT: MONTHLY RECONCILIATION OF THE ASSET REGISTER AND THE GENERAL LEDGER	The municipality does not perform monthly reconciliations of the municipality's assets register and the general ledger.	The municipality will perform monthly reconciliations of the municipality's assets where the Fixed Asset Register will be compared to the ledger to ensure the two system reconcile	Monthly	Assistant Manager: Asset Management	Asset Reconciliation Report
	170	PROPERTY, PLANT AND EQUIPMENT: QUARTERLY VERIFICATION OF ASSETS	The municipality does not perform quarterly verification of assets to ensure that the computerised fixed asset register contains valid, accurate and complete and up-to-date information.	Asset Control Practitioner will perform quarterly verification of assets and up-to-date information on the FAR.	Quarterly	Assistant Manager: Asset Management	Up to date FAR
	179	INTANGIBLE ASSETS: RECONCILIATIONS BETWEEN THE GL AND AFS	Differences between the amounts per the general ledger to the amounts disclosed on the financial statements for intangible assets.	Monthly reconciliations will be prepared where comparisons are done between the Asset Register and the ledger and all variances will be followed up on to ensure the two systems reconcile	Monthly	Assistant Manager: Financial Reporting	Asset Reconciliation Report

	181	INVESTMENT PROPERTY: INVESTMENT PROPERTY USED FOR RDP HOUSES	Investment property used for the RDP units was incorrectly classified and should have been classified as inventory for RDP units.	The inventory listing will be reviewed on a monthly basis to ensure only correct amounts are classified as inventory. Stock counts will also be performed to verify the accuracy of the inventory listing towards yearend The asset register containing investment properties will also be reviewed to ensure accurate classification	31-Jan-19	Assistant Manager: Asset Management	Adjusting Journal Accurate Investment Property Register
	211	PROPERTY, PLANT AND EQUIPMENT: RECONCILING THE FIXED ASSET REGISTER WITH THE AFS	Differences when we compared the total in the fixed asset register, per class of assets, with the total amount, per class of assets disclosed on the financial statements.	Disclosure on the AFS will be done in accordance to the Fixed Asset Register and the ledger and reviews will be conducted to ensure there are no differences	30-Jun-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	215	PROPERTY, PLANT AND EQUIPMENT: IDENTIFYING ASSETS FOR IMPAIRMENT	The assets listed below were incorrectly recorded as part of 2017-18 disposals instead correction of prior period errors.	Monitoring and review of asset disposals will be conducted by the Assistant Manager: Asset Management on monthly basis Necessary adjusting journals to be processed	31-Mar-19	Assistant Manager: Asset Management	Fixed Asset Register Adjusting Journal
	218	PROPERTY, PLANT AND EQUIPMENT: CALCULATION OF DEPRECIATION ON INFRASTRUCTURE ASSETS	Differences between the depreciation on the asset register and recalculated depreciation.	Monitoring and review of the Asset Reconciliation Report on the depreciation on Infrastructure Assets Recalculation of the depreciation on infrastructure assets and processing necessary adjusting journals	31-Jan-19	Assistant Manager: Asset Management	Asset Reconciliation Report Adjusting Journal

	232	PROPERTY, PLANT AND EQUIPMENT: LAND OWNERSHIP PER DEEDS	The title deed to the following property was transferred and is no longer under the name of the municipality.	Updating of the Fixed Asset Register monthly and monitor that assets no longer possessed by the Municipality are taken off the FAR.	30-Jun-19	Assistant Manager: Asset Management	Fixed Asset Register
	237	PROPERTY, PLANT AND EQUIPMENT: VERIFICATION OF THE MUNICIPALITY'S RIGHTS TO ASSETS INCLUDED IN THE ASSET REGISTER.	The following land which was used by other purposes by the residence of the municipality without the municipality's concern as described below, therefore we could not get assurance that municipality still holds the right to these properties.	Updating of the Fixed Asset Register monthly and monitor that assets no longer possessed by the Municipality are taken off the FAR.	31-Jan-19	Assistant Manager: Asset Management	Fixed Asset Register
	240	INVESTMENT PROPERTY: RECONCILIATIONS BETWEEN THE FAR AND AFS	Differences when we compared the amounts per the fixed assets register to the amounts disclosed on the financial statements for investment property.	Disclosure on the AFS will be done in accordance to the Fixed Asset Register and the ledger and reviews will be conducted to ensure there are no differences	30-Jun-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	242	PROPERTY, PLANT AND EQUIPMENT: CALCULATION OF DEPRECIATION ON ASSETS	Differences between the depreciation on the asset register and our recalculated depreciation.	Monitoring and review of the Asset Reconciliation Report on the depreciation on Assets Recalculation of the depreciation on assets and processing necessary adjusting journals	31-Jan-19	Assistant Manager: Asset Management	Asset Reconciliation Report Adjusting Journal
	271	STATEMENT OF CHANGES IN NET ASSETS: CASTING DIFFERENCES	Differences between the amount by which the opening balance was restated by when we compared it with the amount which the opening balance should have been restated by as disclosed on the prior period error note.	Opening balances will be reviewed and compared to the Audited Annual Financial Statements. Adjusting journal entries will be processed with supporting documents where there are changes to opening balances	30-Jun-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes

CASHFLOW STATEMENT							
	74	CASH FLOW STATEMENT: PREPARATION OF THE CASH FLOW STATEMENTS	<p>The following differences were between the recalculated cash flow statement and the one per the annual financial statements in investing activities:</p> <p>Amount disclosed in the Financial Statements R 52 137 966,00 Recalculated Amount R 48 787 966,00 Difference R 3 350 000,00</p>	The Annual Financial Statements will be reviewed and casted correctly to ensure all amounts add up properly	28-Feb-19	Assistant Manager: Financial Reporting	Interim financial Statements submitted for review by Audit Committee and Internal Audit
	75	CASH FLOW STATEMENT: PREPARATION OF THE CASH FLOW STATEMENTS	Differences were noted between the recalculated amount and amount included in the note to cash flow statement.	The Annual Financial Statements will be reviewed and casted correctly to ensure all amounts add up properly	28-Feb-19	Assistant Manager: Financial Reporting	Interim financial Statements submitted for review by Audit Committee and Internal Audit
	77	CASH FLOW STATEMENT: PREPARATION OF THE CASH FLOW STATEMENTS	<p>The following differences were between the recalculated cash flow statement and the one per the annual financial statements in financing activities:</p> <p>Amount disclosed in the Financial Statements R 706 766,00 Recalculated Amount R 0 Difference R 706 766,00</p>	Close monitoring of the Trail Balance and preparation of interim AFS and early preparation of Annual Financial Statements to allow for a proper review,	28-Feb-19	Assistant Manager: Financial Reporting	Interim financial Statements submitted for review by Audit Committee and Internal Audit

	78	CASH FLOW STATEMENT: PREPARATION OF THE CASH FLOW STATEMENTS	A difference between the recalculated amount in cash receipts from customers in the cash flow statement and the one per the annual financial statements in operating activities of R 960 226 469,28 was noted. A difference between the recalculated amount in cash paid to suppliers and employees in the cash flow statement and the one per the annual financial statements in operating activities of R 66 131 360, 00 was noted.	Close monitoring of the Trail Balance and preparation of interim AFS and early preparation of Annual Financial Statements to allow for a proper review,	28-Feb-19	Assistant Manager: Financial Reporting	Interim financial Statements submitted for review by Audit Committee and Internal Audit
REVENUE MANAGEMENT							
	143	RECEIVABLES FROM NON- EXCHANGE TRANSACTION : RECOGNITION OF CURRENT YEAR PROVISION FOR BAD DEBTS	A journal number 27209 was processed to record a provision for doubtful debts amounting to R10 629 909.02. However, the receivables from non-exchange transactions general ledger account (MsCOA account No. 32000014007) was incorrectly credited instead of the provision for receivables impairment provision account. This was an incorrect adjustment because the journal processed should be an increase in the provision for	Review of the Provision for Bad Debts policy, and reversal of the journal processed to credit the receivables from non-exchange transactions general ledger account (MsCOA account No. 32000014007) instead of the provision for receivables impairment provision account. The provision for doubtful debts will be reviewed and the correcting journal entries will be processed to ensure accurate figures are disclosed	28-Feb-19	Assistant Manager: Revenue	Adjusting Journal

			doubtful debt and not a bad debt write-off which would have required a council resolution.				
	144	RECEIVABLES FROM NON-EXCHANGE TRANSACTION : TRAFIC FINES AGE ANALYSIS	Difference was noted between the total amount of traffic fines listing and the general ledger	Monthly reconciliation of the traffic fines line will be performed and ensure that the ledger agrees with supporting documents	28-Feb-19	Assistant Manager: Revenue	Monthly Traffic Fine Listing
	155	CONSUMER DEBTORS: TOTALS PER DEBTORS AGE ANALYSIS VS GENERAL LEDGER	The total amount of consumer debtors in the debtors age analysis does not agree to the total amount in the general ledger.	Monthly reconciliation between the Debtors Age Analysis and the GL will be performed Necessary Adjusting Journals	30-Jun-19	Assistant Manager: Revenue	Monthly Debtors Reconciliations Adjusting Journals
	156	REVENUE FROM EXCHANGE TRANSACTIONS: WATER METER READINGS	The meter readings for the last month of the financial year end are not recorded and billed.	A cut off on revenue will be performed at year end to ensure revenue is correctly accounted for and to ensure completeness of revenue	30-Jun-19	Assistant Manager: Revenue	Cut off schedule with correcting adjusting entries
	158	REVENUE FROM EXCHANGE TRANSACTIONS:ELECTRICITY METER READINGS	The meter readings for the last month of the financial year end are not recorded and billed.	A cut off on revenue will be performed at year end to ensure revenue is correctly accounted for and to ensure completeness of revenue	30-Jun-19	Assistant Manager: Revenue	Cut off schedule with correcting adjusting entries
	272	REVENUE FROM NON EXCHANGE TRANSACTIONS:COMPLETENESS OF FINES AND PENALTIES	Following fines which were not recorded on fines register maintained by management.	The fines register will be reviewed on a monthly basis and compared to supporting documents to ensure completeness of the register	30-Jun-19	Assistant Manager: Revenue	Monthly Traffic Fine Listing
	274	REVENUE FROM NON EXCHANGE TRANSACTIONS:DISCLOSURE OF GRANTS RECEIVED	The amount received during the current year for the Municipal Infrastructure Grant was not disclosed on the note to the financial statements.	Annual Financial Statements will be reviewed to ensure all Grants are accurately disclosed. Monthly grants	30-Jun-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes

				reconciliations will be performed			
	275	PUBLIC CONTRIBUTIONS AND DONATIONS: DONATIONS FROM THE NKANGALA DISTRICT MUNICIPALITY	Donations made to the municipality by the Nkangala District Municipality were not recorded as revenue of the municipality	Requests for monthly revenue schedules will be requested from the district and processed in the accounting records to ensure completeness of revenue	31-Jan-19	Assistant Manager: Revenue	Adjusting Journal
	280	REVENUE FROM NON EXCHANGE TRANSACTIONS:	The following traffic fines which were duplicated on fines listing	The traffic fines listing will be reviewed on a monthly basis to ensure there are no duplications	30-Jun-19	Assistant Manager: Revenue	Monthly Traffic Fine Listing
	289	RECEIVABLE FROM NON EXCHANGE TRANSACTIONS :DISCLOSURE OF RECEIVABLES	Receivables for non-exchange transactions were shown of the net basis (after impairment) and no reconciliation between gross amount and the net amount was disclosed as required by GRAP 104.	Receivables disclosure will be amended to reflect amounts on gross and net basis in line with the requirements of GRAP 104	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	290	REVENUE FROM NON EXCHANGE TRANSACTIONS:DUPLICATE FINES INCLUDED IN SUPPORTING SCHEDULE	The annual financial statements for the year ended 30 June 2018 which were provided for audit did not make disclosure of <ul style="list-style-type: none"> particulars of any arrears owed by individual councillors to the municipality, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors total amounts paid in audit fees, taxes, levies, duties 	Assistant Manager Financial Reporting to implement a disclosure checklist ensure the disclosure particulars of any arrears owed by individual councillors to the municipality as well as total amounts paid in audit fees, taxes, levies, duties and pension and medical aid contributions, and whether any amounts were outstanding as at the end of the financial year.	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes

			and pension and medical aid contributions, and whether any amounts were outstanding as at the end of the financial year.				
	294	DISTRIBUTION LOSSES: AMOUNTS DISCLOSED IN THE ANNUAL FINANCIAL STATEMENTS	Incorrect disclosure of distribution losses for water and electricity	Schedules for distribution losses on water and electricity will be obtained and the disclosure will be performance in accordance to such schedules	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	296	CONSUMER DEBTORS: ACCOUNTING FOR PRIOR PERIOD ERROR	The municipality made and adjustments of consumer debtors for the effect of interest earned in the 2016-17 financial which was not recorded. However, the municipality did not adjust prior year interest received in the statement of financial performance and notes to the annual financial statements. The restated opening balance of the allowance for impairment has been incorrectly calculated. Management calculated an allowance for provision for debtors who had been outstanding for less than 30 days. This is in contravention with the municipalities provision for impairment policy	Assistant Manager Financial Reporting to process an adjustment on the prior interest received on the statement of financial performance .Management to recalculate the allowance for provision for debtors properly excluding the debtors who had been outstanding for less than 30 days.	31-Jan-19	Assistant Manager: Financial Reporting	Adjusting Journal Annual Financial Statement Notes

EXPENDITURE MANAGEMENT							
	81	EXPENDITURE: PAYMENT OF SUPPLIERS WITHIN 30 DAYS	During the audit of expenditure, it was noted that payment of transactions listed below was not made within 30 days.	Date stamp all invoices received and maintain comprehensive register of invoices submitted for payment. Centralise the maintenance of the comprehensive register to one person.	ongoing	Assistant Manager: Expenditure	Invoice received register Creditors check list
	87	PAYABLES FROM EXCHANGE TRANSACTIONS: CREDITORS AGE ANALYSIS	It was noted that the total amount on the creditors age analysis does not agree to the municipality's general ledger for trade payables.	A creditors reconciliation will be performed on a monthly basis and differences will be followed up	ongoing	Assistant Manager: Expenditure	Creditors monthly reconciliation
	127	VAT RECEIVABLE: AMOUNT NOT AGREEING TO THE FINANCIAL STATEMENT	<p>The following matters were noted with regard's to the VAT receivables.</p> <p>(i) • The amount of VAT receivable as at 30 June 2017 per the statement from SARS does not agree to the amount per the year-end reconciliation and general ledger.</p> <p>(ii) Detailed listings of Input and Output VAT accrual amounts were not provided as requested in request for information number 40 issued on 17 October 2017.</p>	Ensure preparation of monthly vat reconciliation Reviewal of VAT reconciliation and VAT 201 returns	28-Feb-19	Assistant Manager: : Expenditure	Monthly vat reconciliation Signed VAT 201 returns on monthly basis by CFO or Deputy CFO
	146	FINANCE COST: GENERAL LEGDGER AND ANNUAL FINANCIAL STATEMENTS DIFFERENCES	Differences were noted between the finance costs amount disclosed in the annual financial statements and the amount recorded in	All amounts disclosed in the Annual Financial Statements will be reviewed and compared to supporting documents. Audit files will be prepared to ensure all	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes Adjusting Journal

			the general ledger and trial balance	amounts disclosed have supporting documents			
	150	EXPENDITURE: RECORDING OF BULK PURCHASE TRANSACTIONS ON THE GENERAL LEDGER	Invoices were not recorded on the general ledger	Invoices will be captured onto the system prior to processing of payment	28-Feb-19	Assistant Manager: Expenditure	Invoice received register Creditors check list
	163	EMPLOYEE RELATED COSTS: PERFORMANCE OF CRIMINAL AND QUALIFICATIONS CHECKS	The municipality does not conduct verifications of qualifications, criminal record, reference checks, etc prior to appointment of candidates for vacant positions.	Verification and security checks will be performed on employment of candidates	30-Jun-19	Municipal Manager, All Executive Directors and M&E Unit.	
	172	EXPENDITURE: COMPLETION OF GOODS REQUISITION FORMS/MEMO	The requisition forms were not completed for the following transactions	Requisition forms will be completed for goods purchased and ensure that the requisition forms are sequentially numbered and properly filed.	28-Feb-19	Assistant Manager: Expenditure	
	173	EXPENDITURE: COMPLETION OF GOODS RECEIPT NOTE	The good received notes were not completed for the following transaction to acknowledge receipt by an official of the municipality:	Management to monitor that good received notes are completed signed and stamped for all transactions and these should be properly filed.	28-Feb-19	Assistant Manager: Expenditure	
	176	VALUE ADDED TAX: PERFORMANCE OF MONTHLY RECONCILIATIONS	The municipality does not perform monthly/regular reconciliations between the SARS VAT liability/receivable per statements from SARS which is on a payment basis with the VAT receivable/payable general ledger accounts on the municipality's financial	Monthly VAT reconciliations will be performed Reviewal of VAT reconciliation and VAT 201 returns	28-Feb-19	Assistant Manager : Expenditure	Monthly vat reconciliation Signed VAT 201 returns on monthly basis by CFO or Deputy CFO

			reporting system which is on accrual basis.				
	177	GENERAL EXPENSES: RECORDING OF INVOICES IN THE GENERAL LEDGER	The following transactions was not accurately recorded in the general ledger. (differences between the amount per the invoice and the amount recorded in the general ledger)	All invoices presented for payment will be checked against the ledger to ensure they have been accurately recorded.	30-Jun-19	Assistant Manager : Expenditure	invoices with corresponding ledger accounts
	182	EMPLOYEE RELATED COST: CALCULATION OF ALLOWANCES PAID TO EMPLOYEES	Differences between the amount (allowance) paid and the recalculated amount for the following employees	Management to monitor and review the employee allowance schedule monthly and ensure that the correct rates are used to calculate the employee allowance	31-Jan-19	Assistant Manager: : Expenditure	Adjusting journal
	185	CONTRACTED SERVICES: RECORDING OF INVOICES IN THE GENERAL LEDGER	The following transaction was not accurately recorded in the general ledger. (Differences between the amount per the invoice and the amount recorded in the general ledger)	All invoices presented for payment will be checked against the ledger to ensure they have been accurately recorded.	30-Jun-19	Assistant Manager : Expenditure	invoices with corresponding ledger accounts
	187	CONTRACTED SERVICES: TRANSACTION POSTED IN THE WRONG FINANCIAL YEAR.	An invoice was accounted for as an expense during the current financial when the actual expense relates to the 2016/17 financial year (Prior Year).	Creditors clerks to ensure that the invoices captured relate to the current financial period and their work must be reviewed by the assistant manager expenditure to ensure that they captured accurately.	31-Jan-19	Assistant Manager: : Expenditure	invoices with corresponding ledger accounts
	188	VAT: REVIEWS OVER THE VAT 201 FORMS SUBMITTED TO SARS	No reviews of the VAT reconciliations which are performed for the purposes of Filing the VAT 201 returns	VAT recons will be prepared on a monthly basis Reviewal of VAT reconciliation and VAT 201 returns	28-Feb-19	Assistant Manager: : Expenditure	Monthly vat reconciliation Signed VAT 201 returns on monthly

			by the municipality during the current financial year.				basis by CFO or Deputy CFO
	189	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: INCORRECT PRESENTATION AND DISCLOSURE	Management incorrectly disclosed the Statement of Comparison of Budget and Actual Amounts by erroneously allocating the Final Budget amounts as the Adjustment amounts in the Statement of Comparison of Budget and Actual Amounts. Furthermore, no explanations were included or disclosed for material differences between budget and actual amounts.	Annual Financial Statements will be reviewed before they are submitted for audit.	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	190	EMPLOYEE COST: REMUNERATION OF COUNCILORS DIFFERENCES	Differences were noted between the amount disclosed in the financial statements and the amount as per the payroll	The amounts disclosed on the Annual Financial Statements will be reviewed against supporting schedules. Audit evidence files will be prepared to ensure all amounts disclosed in the AFS are supported by valid schedules/supporting documents	30-Jun-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	191	PROVISION FOR ANNUAL BONUS :	Difference between the total amount on the schedule management provided and the amount recorded on the general ledger.	Management to undertake to perform a reconciliation between schedule for provision of annual bonus and the trial balance as well as the general ledger.	30-Jun-19	Assistant Manager: : Expenditure	Bonus provision calculation
	196	PROVISIONS : DISCLOSURE FOR PROVISIONS FOR ANNUAL BONUS RAISED DURING THE YEAR	Management has not disclosed provisions for annual bonus in accordance with GRAP19. There were no details of the provision disclosed and the	Assistant Manager Financial Reporting to implement a disclosure checklist and ensure a proper disclosure of provision for annual	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes

			reconciliation disclosed for the comparative year did not include the correct amounts	bonus in the financial statements.			
	201	EMPLOYEE COST: DISCLOSURE OF EMPLOYEE THE BENEFITS PLAN	The employee benefit obligation movement for the current year was incorrectly classified as a defined contribution plan in the note to the financial statements instead of the defined obligation plan as required by the financial reporting framework.	Assistant Manager Financial Reporting to implement a disclosure checklist and to make necessary adjustments in reclassifying the employee benefit obligation which had been incorrectly classified as defined contribution plan in the note to the financial statements instead of the defined obligation plan in the financial statements.	28-Feb-19	Assistant Manager: Financial Reporting	Adjusting journal
	204	EMPLOYEE COST: ALLOWANCES PAID TO EMPLOYEES	Differences were identified between the travel allowance paid by the municipality and our recalculated amount of the travel allowance which should have been paid.	Management to monitor and review the travel allowance schedule monthly and ensure that the correct rates are used to calculate the travel allowance	31-Jan-19	Assistant Manager: : Expenditure	Adjusting journal
	262	GENERAL EXPENSES - LEAD SCHEDULE	Difference between the General ledger (telephone expense) amounts with the amount disclosed on the financial statements.	Assistant Manager Financial Reporting to implement a disclosure checklist and ensure a proper disclosure of the telephone expense as per the general ledger in the annual financial statements.	28-Feb-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	264	EXPENDITURE: RECORDING OF TRANSACTIONS ON THE GENERAL LEDGER	Invoices which were not recorded on the general ledger for the current financial year end.	Invoices to be stamped and signed and management to ensure that a register is compiled for all invoices received. The creditors clerks to capture all the invoices as per the register and the assistant manager expenditure to review	30-Jun-19	Assistant Manager: : Expenditure	creditors ledger/age analysis

	268	BAD DEBTS WRITTEN OFF: ACCOUNTING FOR BAD DEBTS WRITTEN OFF	The following transactions (expenses) relating to payments made to employees which were accounted for as bad debts written-off.	Necessary adjusting journal to be processed to reverse the improper accounting treatment as a bad debt. All payments made to employees will be reviewed to ensure that are correctly accounted for	31-Jan-19	Assistant Manager : Expenditure	Adjusting journal
	270	BAD DEBTS WRITTEN OFF: ACCOUNTING FOR BAD DEBTS WRITTEN OFF	Difference between the total amount on the schedule management provided and the amount recorded on the general ledger.	Perform a reconciliation between schedule for bad debts written off and the trial balance as well as the general ledger.	30-Jun-19	Assistant Manager: Expenditure	
	280	APPROPRIATION STATEMENT: PRESENTATION AND DISCLOSURE OF THE APPROPRIATION STATEMENT	Management erroneously allocated the Final Budget amounts as the Adjustment amounts in the Appropriation Statement that created differences in the entire statement since the budget amount was reflected as Nil.	Implement a disclosure checklist and ensure a proper disclosure of the Appropriation statement and undertake to review the annual financial statements.	30-Jun-19	Assistant Manager: Financial Reporting	
	299	EXPENDITURE: PROCESSING OF JOURNAL ENTRIES ON THE GL.	A journal that was processed to account for the loss incurred on the disposal of assets by the municipality which was incorrectly posted to telephone expenses.	Necessary adjusting journal to be processed to reverse the improper accounting treatment as a telephone expense.	31-Jan-19	Assistant Manager: : Expenditure	Adjusting journal
	305	GENERAL EXPENDITURE: RECORDING OF AMOUNTS ON THE GENERAL LEDGER	Differences between the total amount invoiced to the municipality with the amount recorded on the general ledger for auditor's fees.	All invoices presented for payment will be checked against the ledger to ensure they have been accurately recorded.	31-Jan-19	Assistant Manager: : Expenditure	Invoices in respect of audit fees with corresponding ledger accounts
PROCUREMENT AND CONTRACT MANAGEMENT							

	116	PROCUREMENT AND CONTRACT MANAGEMENT: TAX CLEARANCE STATUS	During the audit of procurement and contract management, it came to our attention that the quotation from the below supplier was considered while the tax status was non-compliant:	Tax compliant status be verified before any appointment or issuing of orders.	on going	Assistant Manager: SCM	scm check list template
	118	PROCUREMENT AND CONTRACT MANAGEMENT : NON-COMPLIANCE WITH SECTION 114 OF THE MFMA	It was noted that the notification submitted to Auditor-General, Provincial treasury and National treasury did not clearly indicate the reasons why the following recommended supplier by evaluation committee and adjudication committee was not appointed	The feasibility study and the need analysis to be documented going forward, in any action to clearly indicate the reasons why the following recommended supplier was not appointed by evaluation committee and adjudication committee.	on going	Assistant Manager: SCM	Feasibility Report
	83	PROCUREMENT AND CONTRACT MANAGEMENT: DECLARATIONS OF INTEREST NOT SUBMITTED BY SUPPLIERS	During the audit it was noted that the below suppliers did not submit declarations of interest.	Declaration of interest forms by suppliers to be attached on three quotation procurement vouchers.	on going	Assistant Manager: SCM	scm check list template
	120	PROCUREMENT AND CONTRACT MANAGEMENT: DECLARATIONS OF INTEREST NOT SUBMITTED BY EMPLOYEES	Declarations of interest for employees were not submitted by management as requested on request for information number 70 which was issued on 29 October 2018	Declaration of interest forms by employees to be attached on three quotation procurement vouchers.	on going	Assistant Manager: SCM	scm check list template
	122	PROCUREMENT AND CONTRACT MANAGEMENT: NON-COMPLIANCE WITH PPPF ACT	It was noted that the Preferential Procurement Regulations were not considered during the acquisition of the following goods and services	Implementation of the 80/20 Preferential Procurement Regulation to be applied in respect of a tender/quotation with a rand value equal to or above R30 000 and up to a rand value of R50 000 000	on going	Assistant Manager: SCM	scm check list template

				inclusive of all applicable taxes.			
	124	PROCUREMENT AND CONTRACT MANAGEMENT: THREE QUOTATIONS NOT OBTAINED	Formal written quotations for procurement the following goods and services were not obtained.	Proper process for formal written price quotation to be implemented for procurement the following goods and services	on going	Assistant Manager: SCM	scm check list template
	125	PROCUREMENT AND CONTRACT MANAGEMENT: LIMITATION OF SCOPE	The following information was not provided as requested in request for information number 84 issued on 05 November 2018.	Proper filing procedure to be followed to ensure information requested is easily accessed.	on going	Assistant Manager: SCM	scm check list template
	161	PROCUREMENT AND CONTRACT MANAGEMENT: AUDIT OF SCM COMPLIANCE NOT CONDUCTED AS PLANNED	There were no reports finalized by the internal audit unit on the evaluation of controls, processes and compliance with laws and regulations on supply chain management related matters as per the 2017-18 approved internal audit plan. The approved internal audit plan for 2017/18 provided for an audit of SCM processes starting on 08 January 2018 and the final report issued on 28 February 2018 but these were not conducted	Internal audit unit to provide reports on the evaluation of controls, processes and compliance with laws and regulations on supply chain management	28-Feb-19	Assistant Manager: SCM	Evaluation Reports
	174	PROCUREMENT AND CONTRACT MANAGEMENT: INCOMPLETE DEVIATION REGISTER	The deviation conducted by the municipality when procuring the supply, deliver of a transformer and repairing of the pump station to the amount of R133 798.38 from Masinga	Deviation register to be updated monthly and reviewed to make sure that it is complete and accurately recorded	on going	Assistant Manager: SCM	Deviation Register

			Electrical was not recorded in the deviation register.				
	220	PROCUREMENT AND CONTRACT MANAGEMENT: DIFFERENCE BETWEEN AMOUNT PAID TO SUPPLIERS AND AMOUNT AS PER THE QUOTATION.	Total payments made to the following suppliers under these quotations exceeded the original quoted amount.	Obtain all extension contracts and recalculate the new quoted amount and compare with the total payments made to date. Ensure that the contract register is updated monthly to include extension periods	on going	Assistant Manager: SCM	Updated contract register
	222	PROCUREMENT AND CONTRACT MANAGEMENT: SUPPLIER WITH LOWEST PRICE NOT APPOINTED	The following supplier with the lowest price were not appointed to provide the goods and services	The feasibility study and the need analysis to be documented going forward, in any action to clearly indicate the reasons why the following recommended supplier by evaluation committee and adjudication committee was not appointed	on going	Assistant Manager: SCM	Feasibility Report
	223	PROCUREMENT AND CONTRACT MANAGEMENT: SCM REPRESENTATIVE NOT IN THE BID EVALUATION COMMITTEE	No supply chain practitioner who attended the evaluation committee meetings for the below listed tenders.	Appointment of the BEC to include an SCM officer and ensure that the SC officer attends the evaluation committee meetings	on going	Assistant Manager: SCM	scm check list template
	225	PROCUREMENT AND CONTRACT MANAGEMENT: LIMITATION OF SCOPE :	Information was not provided as requested in request for information number 15 issued on 06 September 2018.	Proper filing procedure to be followed to ensure information requested is easily accessed.	on going	Assistant Manager: SCM	scm check list template
	226	PROCUREMENT AND CONTRACT MANAGEMENT: DECLARATION OF INTEREST NOT SUBMITTED	The following council member did not declare interest in the SDB 4 form completed.	Declaration of interest to be attached on three quotation procurement vouchers.	on going	Assistant Manager: SCM	scm check list template

	228	PROCUREMENT AND CONTRACT MANAGEMENT: MAINTAINING OF AN ACCURATE AND COMPLETE REGISTER.	Differences between the amounts disclosed on the notes to the financial statement with the amount recorded on the registers	Assistant Manager Financial Reporting to implement a disclosure checklist and monitor a reconciliation of registers and the amounts disclosed in the notes to the financial statements.	on going	Assistant Manager: SCM	Annual Financial Statement Notes
	246	UNAUTHORIZED EXPENDITURE, FRUITLESS AND WASTEFUL EXPENDITURE AND IRREGULAR EXPENDITURE.	The municipality does not maintain a register for unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure	Monthly update of the registers for unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure	on going	Assistant Manager: SCM	Unauthorised expenditure register Fruitless and wasteful expenditure register Irregular expenditure register
	285	IRREGULAR EXPENDITURE REGISTER: RECONCILING THE REGISTER WITH AMOUNT DISCLOSED ON THE AFS	Difference when we compared the amount (opening balance) of irregular expenditure per the register provided for audit with the closing amount of irregular expenditure audited in the prior year.	Agree opening balance per register with the closing amount in the audited prior year financials and monitor monthly update of the registers for irregular expenditure	on going	Assistant Manager: SCM	Annual Financial Statement Notes
	287	FRUITLESS AND WASTEFUL EXPENDITURE: RECONCILING THE REGISTER WITH THE AMOUNT DISCLOSED ON THE AFS	Difference when we compared the amount (opening balance) of fruitless and wasteful expenditure per the register provided for audit with the closing amount of fruitless and wasteful expenditure audited in the prior year.	Agree opening balance per register with the closing amount in the audited prior year financials and monitor monthly update of the registers for fruitless and wasteful expenditure.	on going	Assistant Manager: SCM	Annual Financial Statement Notes
	292	PROCUREMENT AND CONTRACT MANAGEMENT: CONTRACTS PREVIOUSLY DECLARED IRREGULAR	The following contract were identified as irregular expenditure per prior year working papers. These suppliers have been paid in the current 2017/2018	Monthly update of the registers for irregular expenditure and monitor the proper disclosure in the annual financial statements	on going	Assistant Manager: SCM	Annual Financial Statement Notes

			financial year, however the expenditure is not included in the register and note 42 of the annual financial statements				
COMMITMENTS							
	129	COMMITMENTS: CONTRACT AMOUNT DEFERENCES	Differences were noted between the contract amounts per the service level agreements and the commitment schedule.	Monthly update of the commitment register and review of the amounts captured in the commitment schedule that they agree to the SLA and monitor disclosure of commitments in the annual financial statements.	on going	Assistant Manager: SCM	Commitment register and lease register Annual Financial Statement Notes
	131	39. UNSPENT CONDITIONAL GRANTS: GENERAL LEGDGER AND ANNUAL FINANCIAL STATEMENTS DIFFERENCES	The following differences were noted between the amounts disclosed in the annual financial statements and the amounts recorded in the general ledger and trial balance	Monthly update of the grants register and ensure a reconciliation between the grants register and the trial balance and general ledger aswell as disclosure of commitments in the annual financial statements.	on going	Assistant Manager: Reporting	Grants Register Annual Financial Statement Notes
	139	COMMITMENTS: COMMITMENT AMOUNT PER COMMITMENT SCHEDULE VS RE-CALCULATED COMMITMENT	Differences were noted on the commitment amounts per commitments schedule provided for audit and the recalculated commitments amounts.	Monthly update of the commitment register and review of the amounts captured in the commitment schedule that they agree to the SLA and monitor disclosure of commitments in the annual financial statements.	on going	Assistant Manager: SCM	Commitment register and lease register
	141	COMMITMENTS : EXPIRED CONTRACTS INCLUDED IN THE COMMITMENTS SCHEDULE	The following expired contracts were included in the commitments schedule	Monthly update of the commitment register and review of the amounts captured in the commitment	on going	Assistant Manager: SCM	Commitment register and lease register

				schedule and monitoring that expired contracts are excluded from the register.			
PAYABLES							
	91	PAYABLES FROM EXCHANGE TRANSACTION: VALIDITY OF TRADE CREDITORS	The following transactions were included in the trade creditors listing although they were paid before 30 June 2018 and thus do not meet the definition of a liability at 30 June 2018	Creditors reconciliation to be reviewed and payment advice compared with information captured on the financial system	ongoing	Assistant Manager: Expenditure	Creditors listing
	94	PAYABLES FROM EXCHANGE TRANSACTION: INVOICES FOR SERVICES RENDERED AFTER YEAR END INCLUDED AS PART OF TRADE CREDITORS	The following invoices which relate to the 2018/19 financial period were included in the creditors listing provided for audit.	Creditors reconciliation to be reviewed and payment advice compared with information captured on the financial system	ongoing	Assistant Manager: Expenditure	Creditors listing
	133	PAYABLES FROM EXCHANGE TRANSACTIONS:	The total amount of Debtors with Credit balances per the supporting schedule was recorded as R6 433 047.86 whilst the amount per general ledger and trial balance was R13 823 090.00.	Assistant Manager Expenditure to reconcile the amount of debtors with credit balances schedule with the amount as per the general ledger. Necessary adjusting journal.	30-Jun-19	Assistant Manager: Expenditure	Adjusting journal
	152	PAYABLES FROM EXCHANGE TRANSACTIONS: SCHEDULE OF RETENSIONS AND GENERAL LEDGER DEFERENCES	Difference was noted when comparing the amount of retentions per the annual financial statements and the retentions schedule	Assistant Manager Financial Reporting to reconcile the amount per retention schedule with amount disclosed in the annual financial statements	28-Feb-19	Assistant Manager: Reporting	Annual Financial Statement Notes

	153	PAYABLES FROM EXCHANGE TRANSACTIONS:PRESENTATION OF PRIOR PERIOD ERROR ADJUSTMENTS	The municipality incorrectly disclosed the amount for the prior period error relating to payables from exchange transactions as per note number 55 in the annual financial statement	Assistant Manager Financial Reporting to process necessary adjustment on the understated amount with regards to the prior period error relating to payables from exchange transactions.	31-Jan-19	Assistant Manager: Financial Reporting	Annual Financial Statement Notes
	154	PROVISIONS: CALCULATION OF LANDFILL SITE REHABILITATION PROVISION	The provision for landfill site rehabilitation was not discounted. The prior year amount for the landfill site provision was merely adjusted to the amount for the provision as per the expert's valuation report.	Recalculate the provision for the landfill site rehabilitation properly and process necessary adjusting journals	31-Jan-19	Assistant Manager: Expenditure	Adjusting journal
	198	PAYABLES FROM EXCHANGE TRANSACTIONS: COMPLETENESS OF TRADE CREDITORS LISTING	The following suppliers which were not included as trade payables. The suppliers were not included in the trade creditors listing for the following transactions which took place and remained unpaid at year end.	Creditors reconciliation to be reviewed and payment advice compared with information captured on the financial system	ongoing	Assistant Manager: Expenditure	Creditors listing
	281	OTHER FINANCIAL LIABILITIES: CURRENT AND NON-CURRENT LIABILITIES INCORRECTLY CALCULATED	The current portion of other financial liabilities was incorrectly calculated	Recalculate the current portion of the DBSA and Nedbank loans and process the necessary adjustments	31-Jan-19	Assistant Manager: Expenditure	Adjusting journal
	283	CONTINGENT LIABILITIES: CLASSIFICATION OF CONTINGENT CASES	The following cases which have been incorrectly classified as contingent liabilities.	Management to properly apply accounting principles and reverse the treatment of the instances recognised as contingent liabilities where they do not meet the recognition criteria and process the necessary adjusting journals.	31-Jan-19	Assistant Manager: Expenditure	Adjusting journal

CASH AND BANK							
	164	CASH AND BANK: PERFORMANCE OF MONTHLY BANK RECONCILIATIONS	Bank reconciliations were not timeously performed on a monthly basis.	Reconciliation of the 2017/18 Bank Accounts, And monthly bank reconciliations of the 2018/19 financial year,	ongoing	Assistant Manager: Expenditure	Monthly bank reconciliations With Final Review and Approval to be done by Deputy CFO,
	207	CASH AND BANK: RECONCILIATION OF CASH BOOK WITH THE BANK STATEMENTS	Difference between the General ledger amount and the amount per the financial statements	Assistant Manager Financial Reporting to reconcile the amount per general ledger with amount disclosed in the annual financial statements	31-Jan-19	Assistant Manager: Expenditure	Annual Financial Statement Notes
	209	CASH AND BANK: RECONCILIATION OF CASH BOOK WITH THE BANK STATEMENTS	Difference between the cash book balance and the balance in the general ledger. This difference was identified by comparing the balance per the cashbook to the balance per the general ledger.	Reconciliation of the 2017/18 Bank Accounts, And monthly bank reconciliations of the 2018/19 financial year,	ongoing	Assistant Manager: Expenditure	Monthly bank reconciliations With Final Review and Approval to be done by Deputy CFO,
COMPLAINTS							
	57	ANNUAL REPORT: ADOPTION AND PUBLICATION	The following information was not provided as requested in request for information issued on 8 November 2018.	Monthly monitoring of the MFMA calendar	01-Jan-19	Manager: Strategic Support	Follow-up review by Internal Audit

	69	ANNUAL REPORT: ADOPTION AND PUBLICATION	The 2016/17 annual report was tabled in the municipal council seven months after the end of the financial year in contravention of section 127(2) of the Municipal Finance Management Act 56.	Monthly monitoring of the MFMA calendar	01-Jan-19	Manager: Strategic Support	Follow-up review by Internal Audit
	70	PROCUREMENT AND CONTRACT MANAGEMENT: INVESTIGATIONS NOT CONDUCTED	<p>The following matters pertaining to the 2016-17 financial year were not investigated by the municipality:</p> <ul style="list-style-type: none"> • The unauthorized expenditure amounting to R16 556 801 which was incurred during the 2016-17 financial year as disclosed in note 40 of the annual financial statements. • The closing balance of fruitless and wasteful expenditure amounting to R4 048 605 as disclosed in note 41 of the annual financial statements. • The irregular expenditure amounting to R10 822 686 which was incurred during the 2016-17 financial year as disclosed in note 42 of the annual financial statements. • The municipality did not investigate the following instances where suppliers were identified during the 2016-17 external audit to be employed by other organs of the state and they did not declare this fact on the SDB4 forms 	Investigations in instances of irregular or fruitless and wasteful expenditure must be carried out. Preliminary investigation should be carried out into the allegation. A disciplinary board must conduct a preliminary investigation to determine whether or not the allegation is founded and make a recommendation to the council or board of directors as to whether sufficient grounds exists to warrant a full, investigation into the allegation.	30-Jun-19	Municipal Manager	

	73	PREDETERMINED OBJECTIVES: SUBMISSION OF PC USER REGISTERS - NUMBER OF PC USERS AT THE LIBRARY FACILITIES PER QUARTER	Number of PC users at the library facilities per quarter, PC user's attendance registers were requested as per request for information (RFI) 22 issued on 12 September 2018 however, registers for the months listed below were not submitted for the audit	Registers which are signed by users of personal computers in the library which should be consolidated into monthly statistics reports and submitted	31-Jan-19	Municipal Manager	
	108	COMMITMENTS: DEFERENCE IN THE AMOUNT ON THE COMMITMENT REGISTER AND THAT IN THE ANNUAL FINANCIAL STATEMENTS	The following differences were noted on the commitment for the financial year under review, the differences were calculated using the payments as the general ledger and adding to the closing balance paid in the prior year.	Monthly update of the commitment register and review of the commitment register and the amounts disclosed in the annual financial statements	31-Jan-19	Assistant Manager: SCM	Commitment register Annual Financial Statements notes
	165	UNDERSTANDING OF ENTITY INTERNAL CONTROLS: MONITORING THE PERFORMANCE OF THE CONSULTANT AND TRANSFER OF SKILLS BY CONSULTANTS	The municipality does not have effective controls over the performance management and monitoring, transfer of skills and planning and appointment process of consultants.	The SLA's going forth to Co-operate the skills transfer program and the service providers to give a detailed program for the skill transfer going forward	31-Jan-19	Municipal Manager	
	166	GOVERNANCE: MEETINGS OF THE AUDIT COMMITTEE	The audit committee did not sit in the period under review therefore there were no oversight provided by audit committee over the of internal control environment in the municipality.	The audit committee to sit at least four times per year, as per requirements of Section 166(4)(b) of the Municipal Finance Management Act 56 of 2003.	31-Jan-19	Municipal Manager	

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