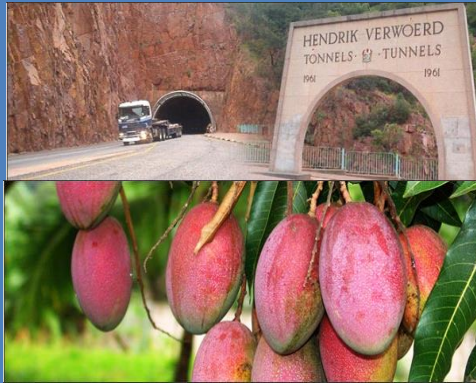


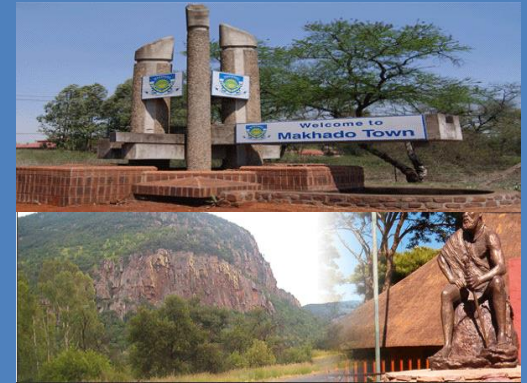


# MAKHADO LOCAL MUNICIPALITY

## ANNUAL REPORT 2013/2014 FINANCIAL YEAR



### Section 121 Of Municipal Finance Management Act



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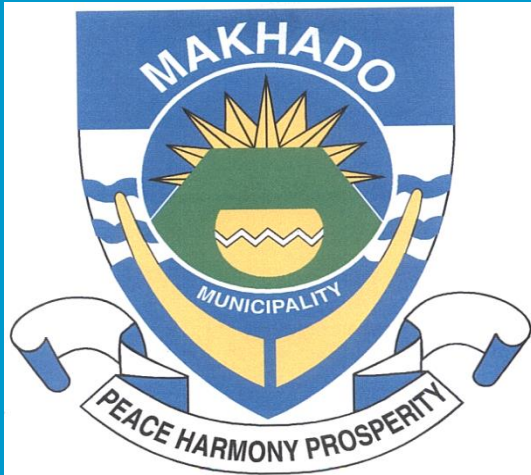
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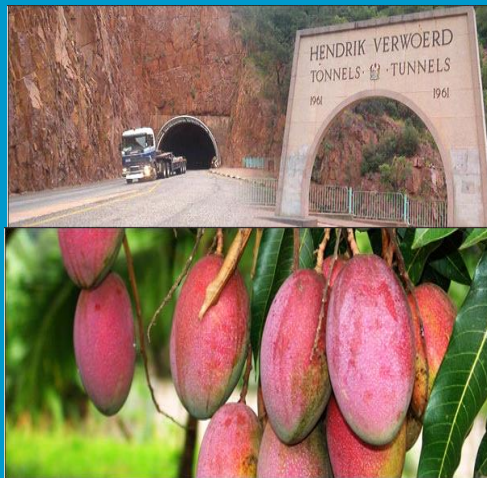
## GLOSSARY

ADDP	-	African Christian Democratic Party
ADMMD	-	After Diversity Maximum Demand
AFS	-	Annual Financial Statements
AG	-	Auditor General
AGSA	-	Auditor General South Africa
ANC	-	African National Congress
APAC	-	Audit and Performance Assessment Committee
B&T	-	Budget and Treasury
CFO	-	Chief Financial Officer
CIPRO	-	Companies and Intellectual Property Registration Office
COGHSTA	-	Department of Cooperative Governance, Human Settlement and Traditional Affairs
COPE	-	Congress of the People
CPMD	-	Consolidated Program for Management Development
DA	-	Democratic Alliance
DCOMS	-	Department Community Services
DCSS	-	Department Corporate Support & Shared Services
DDP	-	Department Development Planning
DTS	-	Department Technical Services
EAP	-	Employee Assistance Program
EEP	-	Employment Equity Plan
ERM	-	Enterprise Risk Management
EXCO	-	Executive Committee
FBE	-	Free Basic Electricity
FBS	-	Free Basic Services
FBS	-	Free Basic Sewer
FBW	-	Free Basic Water
GRAP	-	General Recognized Accounting Practice
HH	-	Households
ICT	-	Information and Communication Technology
IDP	-	Integrated Development Plan
IIA (SA) (standards)	-	Institute of Internal Auditors (SA)
INEP	-	Integrated National Electrification Program
IT	-	Information Technology
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Agency
MFMA	-	Municipal Finance Management Act
MLM	-	Makhado Local Municipality
MM	-	Municipal Manager
MPAC	-	Municipal Public Account Committee
MSA	-	Municipal Structures Act
MSA	-	Municipal Systems Act
NERSA	-	National Electricity Regulator South Africa
OHS	-	Occupational Health and Safety
OPCA	-	Operation Clean Audit
PAC	-	Pan Africanist Congress
PMS	-	Performance Management System
RD	-	Refer to Drawer
RDP	-	Reconstruction Development Program
RWS	-	Reticulation Water Scheme
SCM	-	Supply Chain Management
SDBIPs	-	Service Delivery and Budget Implementation Plans
SDP	-	Skills Development Plan
SITA	-	State Information Technology Agency
SLA	-	Service Level Agreement
SMME	-	Small, Medium and Micro Enterprise
VDM	-	Vhembe District Municipality
WSA	-	Water Services Authority
WSP	-	Water Services Provider
WPSP	-	Work Place Skills Plan

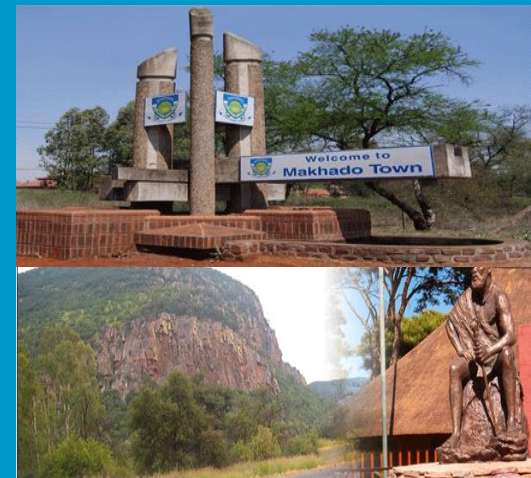


# CHAPTER 1

## INTRODUCTION AND OVERVIEW



## ANNUAL REPORT 2013/2014



## CHAPTER 1: INTRODUCTION AND OVERVIEW

### COMPONENT A: MAYOR'S FOREWORD

#### 1.1. MAYOR'S FOREWORD



I would like to express my appreciation to my colleagues, officials, government departments, stakeholders, and the people of Makhado for their unwavering commitment, patriotism, collaboration, dedication, unity and cohesion they have displayed in building Makhado Local Municipality. Makhado Municipality is strategically located on the N1, North of Polokwane and is the second largest Municipality in the Vhembe District. This geopolitical opportunities places enormous responsibility on each one of us to work together to implement bold, imaginative and effective strategies that will drive both social equity and competitiveness, introduce systematic changes that will mobilize domestic and global investment around sectors of our local economy.

For the past financial years Makhado Municipality obtained several disclaimer audit opinions from Auditor General SA. Tremendous progress has been made to address issues that contributed to the recurring disclaimer audit opinions. In 2012/2013 the municipality obtained a qualified audit opinion. This Municipality has proved that Good Governance will always top its agenda, even during the negative spiral of audit disclaimers. ***We are very excited to obtain an unqualified audit opinion in 2013/2014 financial year. We are now confident as the Municipality and determined to achieve a clean audit in 2014/2015.***

This mammoth task requires ongoing support and participation by all municipal stakeholders in all planning and project implementation processes so that we can effectively and efficiently enhance and utilize the available capacities, including the strategic human, financial, natural and other resources that we possess as a municipality. The infrastructure projects that we delivered will always make us proud, because we believe that development is about people. With each project implemented, we intend to leave a mark and a lifelong legacy that will be celebrated by generations to come. Makhado Municipality will remain committed to its reviewed vision of “A dynamic hub for socio - economic development by 2025”. This vision is our shared commitment as political administrative components to combine efforts, skills, and expertise to ensure that we build a city for all our people by 2025.

In 2013/2014 Makhado Municipality has recorded the following successes for 2013/2014:

- Received an award from SALGA Limpopo as the most improved municipality in financial management for 2014.
- Ability to collect higher revenue than projected in the 2013/2014 financial year R 682 238 000 out of R747 560 494.
- Approximately 80% of own generated revenue, excluding governmental grants, comes from Makhado own households, thus about 20% is generated from the business sector. Details of this matter are to be found in the financial statements. The municipality have initiated a process of identifying its most crucial risks and areas of unnecessary expenditure, and are investigating new means of revenue enhancement, which will ultimately ensure our long term financial and business stability.



- Restoration of public confidence by obtaining an Unqualified Audit Opinion in 2013/2014.
- Effective and Efficient project management resulting in the following:
  - ✓ Good spending of Municipal Infrastructure Grant (100% -R94 732 321).
  - ✓ The municipality received additional MIG grant of R45 331 000.00 as one of best performing municipality in the province on implementation of MIG grant as a reward on top of 2013/14 allocation,
  - ✓ Good spending on Capital Budget (86% -R 122 488 757.48),
  - ✓ Completion of all 10 Roads and Stormwater Projects,
  - ✓ Completion of all 2 Community Halls, and
  - ✓ Electrification of 1426 households
- Strengthening of institutional arrangements and streamlining of the Organizational Structure
- Investment in Human Capital by hiring professionals who are highly skilled and experienced,
- Effective administrative governance leading to improved internal controls and systems,
- Improved Mechanism on Public and Community Participation

Makhado Municipality will make sure that all rollovers resulting from slow project implementation in electrification of villages are addressed. See annexure A1-A8 for details of corrective action in each project. The Municipality is aware of its main challenges which are water and ageing infrastructure. However Vhembe is busy with the bulk water project from Nandoni dam to Makhado Town. While staff retention is a challenge the municipality developed a Retention and Succession Strategy as way of mitigating this risk. While the people of Makhado municipal region continue to take the brunt of the recession and economic development, creation of job opportunities continue to be one of the municipal priorities. For the coming financial year 2014/2015 other municipal priorities include greater emphasis on local economic development, customer care, promotion of the strategic intent, strengthening the oversight of section 79 committees, strengthen reporting to the community, communication, credit control and revenue enhancement.

Despite all, Makhado Municipality was fortunate that it could continue to improve in rendering quality services to the community during the financial year 2013/2014, and will continue doing so in 2014/2015, despite the challenges it face. The municipality however appeal to the community to play their own role and responsibility and assist in this regard. Together we can move Makhado forward and create a sustainable and prosperous community.

Therefore, in pursuit of the goals of the Provincial and National Development Plan, the Municipality has tried to link its strategic objectives to the provincial strategy. As a Municipality we have a duty to create decent work, defeat poverty and reducing inequality in our communities. As a Municipality, we were able to create 1345 jobs through the Community Works Program in Ward 1,2,8,10,24,25,26,36 and 37, other work other opportunities were created through the Extended Public Works Program in other wards during 2013/2014 financial year. We shall expand the programs to include other wards within our jurisdiction. The Council of Makhado is committed to sustainable participation of its residents in all decision making processes. As a Municipality, we have engaged our community through the existing public participation mechanisms and structures. Eight (8) public participation meetings were convened in all regions, four (4) IDP Representative Forum were coordinated in all Regions. Our Ward Committees are meeting on a monthly basis to consider all service delivery issues at ward level, this system will need to improve so that we can maximize corrective action to address service delivery backlogs. Other community stakeholders and interest group meetings were held throughout the year to ensure that we listen and act on the needs of our people.

Our physical location has a huge potential to attract viable industrial activity and new investment in mining, tourism, agriculture and manufacturing. The Makhado Municipality is actively participating in the Makhado/

Musina Development Corridor, Limpopo Industrial Parks Revitalization Program and other strategic local, district, provincial and national forum that seek to set a new growth path for our Municipality. As the municipality, we have a legislative duty to ensure that planned and budgeted projects in our IDP are fully implemented and that we must account to all our people of our successes and challenges in realizing those targets set out in the 5 year IDP. During 2013/2014 financial year, as Makhado Municipality we were able to spend 100% of our MIG funds for capital projects listed and prioritized in our IDP and SDBIP.

We shall continue to plan ahead, improve our financial, technical and project management systems, thus ensuring that all our planned projects are carried out on time, with the highest level of quality and within the allocated budget. In trying to ensure full implementation of the Service Delivery and Budget Implementation Plan, the municipality has compiled an SDBIP Annual Achievements Report and Roll-Over Plan. These documents seek to propose ways of improvements in the SDBIP backlogs. It also ensures continuity in monitoring the service delivery projects that could not be completed by 30 June 2014.

The Municipality will sustain its effective engagements with stakeholders across all sectors of the society and provide services to the people with the little available resources. The Municipality commits to give people quality services including implementation of our local economic development strategies, refuse removal, repair of potholes, cleaning and maintenance of parks and recreational facilities, provision of electricity and road works. I therefore would like to call upon all Makhado residents to come and join hands with us. **We believe that working together; we shall make Makhado a city, by 2025!**

---

**THE MAYOR**

**HIS WORSHIP CLLR FD MUTAVHATSINDI**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.2. MUNICIPAL MANAGER'S FOREWORD

The main purpose of this report is to account to all key stakeholders regarding the administrative performance of the municipality for the financial year 2013/2014. The stakeholders include amongst others the Minister of Cooperative Governance and Traditional Affairs, National Council of Provinces, National Treasury, MEC for Cooperative Governance Human Settlement and Traditional Affairs (COGHSTA), Provincial legislature, , , Auditor-General and to the citizens of South Africa. It provides service delivery performance highlights and measures taken to improve performance in line with the Service Delivery and Budget Implementation Plan 2013/2014 (SDBIP). It further promotes the principles of transparency and accountability to the community and other stakeholders. This report radiates the development character of our state at all spheres, enhancing participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, MSA and the MFMA.



Makhado Local Municipality has powers and functions assigned to it in terms of the provisions of schedules 4 (B) and 5 (B) of the Constitution of the Republic of South Africa (Act 108 of 1996). The powers and functions of the Municipality are listed hereunder as follows:

**Table 1: Powers and Functions**

<ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Building regulations</li> <li>• Electricity and gas reticulation</li> <li>• Local tourism</li> <li>• Municipal airports</li> <li>• Municipal planning</li> <li>• Municipal health services</li> <li>• Municipal public transport</li> <li>• Municipal public works</li> </ul>	<ul style="list-style-type: none"> <li>• Storm water management systems in built-up areas</li> <li>• Trading regulations</li> <li>• Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems (Water service level agreement with the District Municipality)</li> <li>• Billboards and the display of advertisements in public places</li> <li>• Cemeteries, funeral parlours and crematoria</li> </ul>	<ul style="list-style-type: none"> <li>• Cleansing</li> <li>• Control of public nuisances</li> <li>• Control of undertakings that sell liquor to the public</li> <li>• Facilities for the accommodation, care and burial of animals</li> <li>• Fencing and fences</li> <li>• Licensing of dogs</li> <li>• Licensing and control of undertakings that sell food to the public</li> <li>• Local amenities</li> </ul>	<ul style="list-style-type: none"> <li>• Local sport facilities</li> <li>• Markets</li> <li>• Municipal parks and recreation</li> <li>• Municipal roads</li> <li>• Noise pollution</li> <li>• Pounds</li> <li>• Public places</li> <li>• Refuse removal, refuse dumps and solid waste disposal</li> <li>• Street trading</li> <li>• Street lighting</li> <li>• Traffic and parking</li> </ul>
---	--	--	---

\*Note must be taken that the Vhembe District Municipality has powers and functions over the provision of water and sewer (VDM is the water service authority and provider).

In performing the above powers and functions, Makhado Municipality administration has throughout the financial year 2013/2014 displayed eagerness and willingness to obtain a better audit opinion for 2014. This was evidenced by the effective implementation of best practice systems and processes to address matters raised by the Auditor-General in its qualified opinion of 2012/2013. The municipality has successfully reported on the implementation of on both National priorities and the Service Delivery Budget Implementation Plan (SDBIP) through Municipal Turnaround Strategy and Outcome Nine Reports. This includes reporting on eradication of backlogs, developing and maintaining road infrastructure, social and economic highlights etc. It goes further to identify gaps for improvement and lessons learnt through the implementation of its Performance management System. During the IDP/Budget/PMS review processes the sector departments has given the municipality full support. The municipality financial status is not good due to servicing of the remaining two DBSA loans. The repayment of the

loans is being done under serious financial stress due to cash flow challenges. Except this the municipality owes Eskom and the amount is being repaid on a monthly basis. For the past 5-8 years the municipality is not financially sustainable.

The Municipality has established the Risk Management and Anti-Fraud and Corruption Committee in line with Makhado Municipality's Risk Management Policy and Strategy and Fraud Policy. The primary objective of the Committee is to assist the Municipal Manager in discharging accountability for risk management by reviewing the effectiveness of the Municipality's risk management systems, practices and procedures, and providing recommendations for improvement. The following are the top five risks to assist with the deterrence of risks in the Municipality: Ageing infrastructure (water), lack of Water Service Authority Status, illegal connections (water), landfills site is beyond 100% capacity, and lack of access to sporting facilities. After doing proper risk assessment the Municipality was able to cancel part of the Fleet Management Contract which was irregularly awarded to a Service Provider and also awarded without evaluating its costs effectiveness. The cancellation of the contract will save the Municipality estimated costs of R70mil over seven years. The Municipality had a zero tolerance on cases that involves an element of dishonesty.

The organisational structure for 2013/2014 was successfully developed and approved by Council in June 2013. The new organisational structure showed clear realignment of strategic section for improved service delivery, and administrative streamlining for effective and efficient service delivery. The municipality reviewed its municipal vision, mission, values and strategic objectives during the strategic planning session 2013/2014. This was one of many projects being done completely in-house as a means of developing and promoting internal capacity, skills and competencies, but also reducing the reliance on external service providers.

**Table 2: Section 57 Managers position (filled and vacancies)**

NAME	POSITION	COMMENTS
1. Mutshinyali I.P	Municipal Manager	N/A
2. Kanwendo M.J	Director Community Services	Mr Kanwendo M.J acted as Director Community Services before he was appointed into the position
3. Mrs Sinthumule M D	Director Development and Planning	N/A
4. Vacant	Director Corporate Services	Mr Kharidzha N.C acted immediately when Mrs Ndou T.S contract expired
5. Vacant	Director Technical Services	Mr Ragimana L acted for the rest of the financial year
6. Ms Makhubele MP	Chief Financial Officer	N/A

In conclusion, appreciations go to the Honourable Mayor Cllr F.D Mutavhatsindi for his leadership support together with the Speaker, Chief Whip, EXCO, Councillors and the community at large. Your support to Makhado administration is second to none. We therefore urge for your continued participation in the affairs of the municipality through support and constructive criticism in an attempt to enhance service delivery.

Acknowledgement and thanks also go to all colleagues in the National and Provincial sector departments, with whom a number of exciting projects have been incepted and implemented. The management team and all officials from the municipality are also commended for continuing to pursue the vision of the municipality of becoming a hub for socio economic development by 2025.

---

**MUNICIPAL MANAGER**  
**I P MUTSHIYALI**

## COMPONENT C: MUNICIPAL OVERVIEW

### 1.3. MUNICIPAL OVERVIEW

The Makhado Municipality is a local municipality, within the Vhembe District, Limpopo Province in the Republic of South Africa. The main town Makhado is strategically located on N1 and is an important bypass for people travelling to Southern African Developing Countries, and that provides the Municipality with the following opportunities: i) Tourism and (ii) Stimulation of Economic Activities. Other local municipalities bordering the municipality are the Molemole and Blouberg Local Municipalities forming part of the Capricorn District Municipality, whilst the Greater Giyani and Greater Letaba Municipalities also border the municipality from the South East and form part of the Mopani District Municipality.

Makhado Local Municipality is situated under Vhembe District along N1 National route in the northern part of Limpopo Province. Municipal area is 8567.37 km<sup>2</sup> or 856,738 ha. A total of 516 301 population reside within the municipality and majority can be classified as predominately rural.

**Figure 1: Location of Makhado Municipality**



Makhado Municipality has an estimated population of 516 301 people, the gender are spread as follows: Male - 45.75% (236 207), Females – 54.25% (280 094). The population of Makhado has 54% (311 202) of economically active people and 46% (205 099) are economically inactive. There are 38 Wards represented by all together 75 municipal councilors. Makhado Town is a provincial growth point, –Vuwani, Dzanani, Bungeni, Madombidzha as municipal growth points, under Makhado Local Municipality there are three Malls namely Makhado Grossing, Hubyeni and Elim Mall. There are 279 villages and 134 889 households as per the 2011 Census report.

**Table 3: Services Backlog**

Population	Households	Water	Sanitation	Waste management	Electricity	Housing
516 301	134 889	17 668 Households	9 734 Households	12 552 Households	14 298 Households	16807 RDP Housing

**Table 4: Free Basic Services**

Indigent households	Receive free basic electricity	Receive free basic water	Debts owed to municipality
24,464	24,464	129,224	R222,146,188

An operating in terms of Service Level Agreement

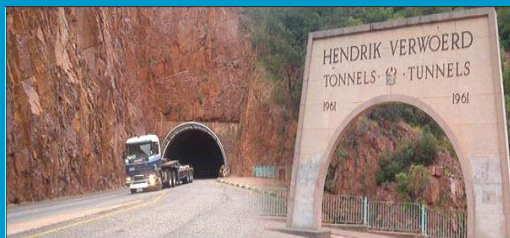
Over and above the listed services above, the municipality is an agent of the Vhembe District Municipality with regard to Potable water supply systems, domestic waste water and sewerage disposal systems. In the case of Environmental Health, these functions and powers are still with the Municipality. Makhado Local Municipality is an operating agent for the Provincial Department of Arts and Culture in respect of rendering a Public Library service at compensation by means of membership fees. It is also an operating agent of Department of Transport for the licensing of vehicles and drivers. It performs the full function at a compensation of 80/20 ratio.

The successes and shortfalls in terms of municipal development well covered in A1 to A8 included in the report. There were projects that were successfully completed and some rolled over to the financial year 2014/2015. The municipality has developed a roll over plan to ensure continuous monitoring and evaluation of the projects.



# CHAPTER 2

## GOVERNANCE



## ANNUAL REPORT 2013/2014



## CHAPTER 2: GOVERNANCE

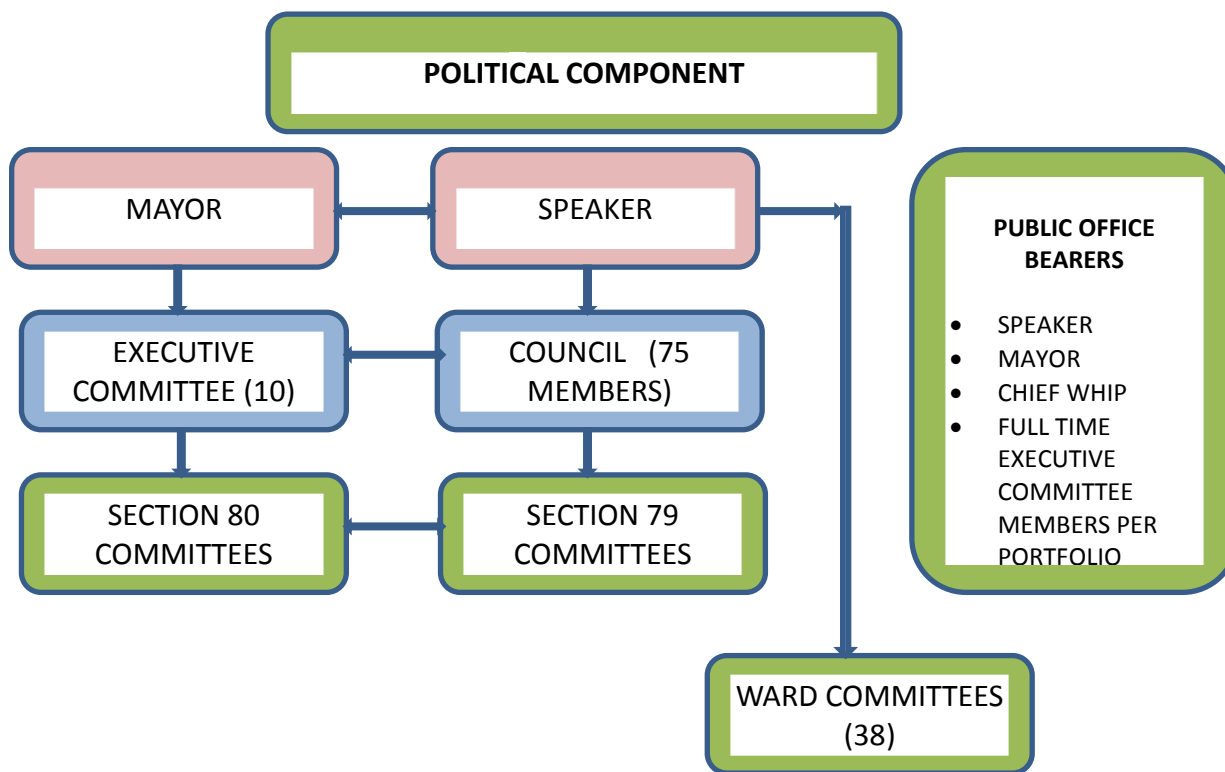
### COMPONENT A: GOVERNANCE STRUCTURES

#### 2.1. POLITICAL GOVERNANCE STRUCTURE

##### 2.1.1. COUNCILORS

Following the general municipal elections held on 18 May 2011, the newly elected Council took up its task on 31 May 2011 at a special Council meeting which marked their inauguration for the following general term ending at 2015/2016. The current Council which started its term in 2011/2012 and it will continue up until 2015/2016. Makhado Local Municipality (LIM344) is a category B municipality in terms of the Structures Act, and in terms of Notice 417 of 24 December 2010 as promulgated in Provincial Gazette No 1884 of same date, comprised of 38 ward councilor seats and 37 proportional councilor seats. Thirty eight (38) ward councilors and thirty seven (37) proportionally elected councilors were duly elected on the effective date 18 May 2011 for the term of office that will last five years until 2015/16, as contemplated in section 24 of the Structures Act. The current Council was duly formed with effect from 18 May 2011 and are still the councilors for the annual performance year of 2013/2014 under discussion.

Figure 2 Political Structures



Makhado Municipality is a Category B municipality with 75 councilors (37 proportionally elected and 38 ward councilors) as promulgated under General Notice No 264 of 2009 by the MEC for Local Government and Housing and published in Provincial Gazette Extraordinary No 1656 on 31 July 2009 and rated Grade 4 in terms of the criteria determined by the National Department of Cooperative Governance and Traditional Affairs.



In terms of the Seat Calculation Summary per Municipality received from the Municipal Electoral Officer on 20 May 2011, the names of the elected parties and the number of the respective councilors elected on 18 May 2011 were as follows:

**Table 5: Representation in Council – Political Parties**

PARTY	# OF WARD COUNCILLORS	# OF PROPORTIONAL REPRESENTATIVE COUNCILLORS	# OF SEATS IN COUNCIL
African National Congress (ANC)	36	28	64
Democratic Alliance (DA)	1	4	5
Congress of the People (COPE)	0	3	3
Independent	1	0	1
African Christian Democratic Party	0	1	1
Pan Africanist Congress of Azania	0	1	1
Total	38	37	75

The following are current Councilors of Makhado Municipality

**Table 6: Name of Councilors**

1.	BALIBALI, N P	2.	MATHOMA, M P
3.	BALOYI, S R ( <i>elected 26 August 2011</i> )	4.	MATODZI, A M
5.	BALOYI, N B ( <i>elected 10 June 2013</i> )	6.	MATUMBA, M T ( <i>elected 26 August 2011</i> )
7.	CHILILO, N F	8.	MATUMBA, N J
9.	DAVHANA, N D	10.	MAZIBUKO, M P ( <i>elected 23 October 2013</i> )
11.	DU PLOOY, A	12.	MBOYI, M D
13.	GABARA, M J	14.	MMBADI, T A
15.	HLABIOA, M M ( <i>elected 5 October 2011</i> )	16.	MOGALE, L B
17.	HLONGWANE, F B	18.	MPASHE, M ( <i>elected 5 May 2014</i> )
19.	HLUNGWANI, K A	20.	MTHOMBENI, S Z
21.	KUTAMA, N	22.	MUDAU, T S ( <i>elected 19 March 2013</i> )
23.	LERULE-RAMAKHANYA, M M	24.	MUKHAHA, A J
25.	LUDERE, E H	26.	MUKHARI, M F
27.	LUDERE, R	28.	MULOVHEDZI, M D
29.	LUDUVHUNGU, V S ( <i>elected 5 October 2011</i> )	30.	MUNYAI, N S
31.	MACHETHE, M S	32.	MUTAVHATSINDI, F D
33.	MADAVHU, F F	34.	MUTELE, T M ( <i>elected 26 August 2011</i> )
35.	MADZHIGA, F N	36.	NDWAMMBI, M T
37.	MADZIVHANDILA, M R ( <i>elected 22 August 2011</i> )	38.	NDZOVELA, N G ( <i>elected 5 October 2011</i> )
39.	MAFHALA, N A ( <i>elected 10 March 2014</i> )	40.	NELUVHOLA, A T ( <i>elected 5 October 2011</i> )
41.	MAGADA, M R	42.	NEMAFHOHONI, M G
43.	MAHANI, M G ( <i>elected 26 August 2011</i> )	44.	NETSHIVHULANA, T P ( <i>elected 13 October 2011</i> )
45.	MAHLADISA, S V	46.	NGOBENI, N E
47.	MAKHUBELA, R T	48.	NKANYANE, R G
49.	MAKHUVHA, V S	50.	RAMUDZULI, S D ( <i>elected 26 August 2011</i> )
51.	MALANGE, R	52.	RASIMPHI, M P
53.	MALANGE, T M	54.	RATSHIKUNI, D T
55.	MALIMA, M E	56.	RATSHIVHOMBELA, M Q ( <i>elected 26 August 2011</i> )
57.	MAMAFHA, T J	58.	REKHOTSO, S M
59.	MAMAFHA, T C	60.	RIKHOTSO, F J
61.	MAMATSIARI, M S	62.	SELEPE, M R ( <i>elected 28 March 2012</i> )
63.	MAMOROBELA, T P	64.	SHANDUKANI, M J
65.	MAPHAHLA, A Z	66.	SINYOSI, S M
67.	MAPHALA, O S	68.	THANDAVHATHU, R
69.	MASHIMBYE, P F	70.	TSHAVHUYO, T G
71.	MASUKA, S ( <i>elected 5 October 2011</i> )	72.	TSHILAMBYANA, M S
73.	MATHALISE, L M	74.	UNDERWOOD, J P
75.	MATHAVHA, H F		

### 2.1.2. EXECUTIVE COMMITTEE

The executive committee is composed in line with the provisions of the Local Government: Municipal Structures Act, 1998. The Executive Committee consisting of ten members, four full-time members and five part-time members as arranged by General Notice 178 of 2012 promulgated by the M E C for Cooperative Governance, Human Settlements and Traditional Affairs as published in the Provincial Gazette Extraordinary No 2079 of 7 May 2012

**Figure 3 Executive Committee Members**



**Cllr F.D Mutavhatsindi**  
His Worship: Municipal Mayor

015 519 3002



**Cllr T.G Tshavhuyo**  
Portfolio Head: Finance  
(Full Time)



**Cllr S.M Sinyosi**  
Portfolio Head: Technical Services  
(Full Time)



**Cllr T.P Mamorobela**  
Portfolio Head: Development and  
Planning  
(Full Time)



**Cllr D.T Ratshikuni**

Portfolio Head: Youth, Woman & Disabilities  
**(Part Time)**



**Cllr J.P Underwood**

Portfolio Head: Disaster & Moral Regeneration  
**(Part Time)**



**Cllr R.S Baloyi**

Portfolio Head: Corporate Support & Shared Services  
**(Full Time)**



**Cllr F.P Mashimbye**

Portfolio Head: Community Services  
**(Part Time)**



**Cllr R Thandavhathu**

Portfolio Head: Sports, Arts & Culture  
**(Part Time)**



**Cllr A.J Du Plooy**

Exco Member  
**(Part Time)**

### 2.1.3. COMMITTEES APPOINTED BY COUNCIL

#### 2.1.3.1. Council Representatives at Vhembe

The following councilors were representatives of Makhado Municipality in the Vhembe District Council:

*Cllr M D Mboyi, Cllr H F Mathavha, Cllr R Malange, Cllr L M Mathalise, Cllr M D Mulovhedzi, Cllr R G Nkanyane (Machovani), Cllr R T Makhubele, Cllr N S Munyai, Cllr M E Malima, Cllr A Kennealy and Cllr B F Hlongwane, Cllr M G Mahani, Cllr S V Mahladasa and Cllr M P Mathoma*

#### 2.1.3.2. Municipal Public Account Committee

Municipal Public Account Committee for 2013/2014 are as follows:

*Cllr T M Malange (Chairperson), Cllr J Shandukani, Cllr B F Hlongwane, Cllr M Mutele, Cllr Q Ratshivhombela, Cllr H G Mahani, Cllr H Mathavha, Cllr A Kennealy and Cllr M R Madzivhandila.*

*On 28 February 2013 the status of MPAC Chairperson become full-time councilor in terms of the provisions of Notice No 178 of 2012 promulgated in Provincial Gazette Extraordinary No 2079 dated 7 May 2012.*

#### 2.1.3.3. Section 79 Committees

In 2012/13 Council recomposed its **Section 79 committees** and they reflects as follows:

Table 7: Section 79 Committees

	Portfolio Committee	Name
1.	<b>Housing, Roads and Transport :</b> Cllr Mathalise L M (Chairperson)	Mukhari M F, Matodzi H A, Nkanyani R G, Rekhoto F J, Mazibuko M P Madavhu F F, Matumba M T, Ramudzuli S D
2.	<b>Finance:</b> Cllr Chililo N F (Chairperson)	Mmboyi D, Selepe R, Tshilambwana M S, Magada M R, Sakhwari I Maphahla A Z, Mahladasa S V, Makhuvha V S
3.	<b>Sports and Recreation, Arts and Culture:</b> Cllr Mukhaha A J (Chairperson)	Davhana N D, Munyai N S, Mulovhedzi M D, Maphahla A Z, Masuka S Hlabioa M M
4.	<b>Youth, Women, Elderly, Gender, People with Disability and Children:</b> Cllr Mthombeni S Z (Chairperson)	Matodzi A M, Mukhaha A J, Mmbadi T A, Kutama N, Rekhoto S M Nemafhohoni M G, Mamatsiari M S
5.	<b>Technical Services and Infrastructure:</b> Cllr Hlungwane K A (Chairperson)	Madzhiga F N, Maphala O S, Ndzovela N G, Madavhu F F, Matumba N J Malima M E, Lerule M M
6.	<b>Community Services:</b> Cllr Tshilambwana M S (Chairperson)	Kutama N, Mulovhedzi M D, Balibali N P, Neluvhola A T, Luduvhungu V S Hlabioa M M, Malima M E
7.	<b>Corporate Services:</b> Cllr Mamafha T J (Chairperson)	Ngobeni N E, Maphala O S, Makhuvha V S, Mmbadi T A, Ludere E H Mamatsiari M S, Sakhwari I
<b>Sub-committees</b>		
	<b>Corporate Services Sub-Committees</b>	Mathoma P, Mamafha T J
	<b>A. Local Labour Forum</b> Cllr Mamafha T C (Chairperson)	
	<b>B. Employment Equity</b> Cllr Kutama N (Chairperson)	Mathalise L M, Ludere E H, Malange R
	<b>C. Pension Funds</b> Cllr Mathladasa S V (Chairperson)	Gabara M J, Munyai N S, Magada M R
8.	<b>Planning, Economic Development, Tourism and Traditional Affairs:</b> • Cllr Mathoma P (Chairperson)	Rasimphi M P, Ndzovela N G, Netshivhulana P, Ramudzuli S D, Ndwammbi M T, Mamafha T J, Neluvhola A T
9.	<b>Disaster, Moral Regeneration and Pastors Forum:</b> • Cllr Davhana D (Chairperson)	Mathoma P, Rasimphi M P, Mukhaha A J, Mavhunda M D Nemafhohoni M G, Malange R, Matodzi A M, Mathalise L M
10.	<b>Rules and Ethics:</b> • Cllr F N Madzhiga (Chairperson)	Matodzi A M, Mmbadi T A, Mamafha T C, Rasimphi M P, Nemafhohoni M G, Balibali N P
11.	<b>Municipal Public Accounts Committee:</b> • Cllr Malange T M (Chairperson)	Shandukani M J, Hlungwane B F, Madzivhandila M R, Mutele M Ratshivhombela Q, Mahani M G, Mathavha H, Kennealy A

### 2.1.3.4. Section 80 Committees

	Portfolio	Name of Councillors
1.	<b>Housing, Roads and Transport :</b> Cllr Mamorobela T P (Chairperson)	Mukhaha A J, Hlungwani K A, Nemafohoni M G, Sakhwari I, Chililo N F, Rekhoto S M, Tshilamyana M S, Balibali N P, Madzhiga M, Mamatsiari M S
2.	<b>Finance:</b> Cllr Tshavhuyo T G (Chairperson)	Rikhotso F J, Mukhaha J, Davhana N D, Munyai N S, Mulovhedzi M D, Netshivhula P, Makhubele R, Du Plooy A, Ndwambi M T
3.	<b>Sports and Recreation, Arts and Culture:</b> Cllr Thandavhathu N R (Chairperson)	Chililo N F, Mthombeni S Z, Tshilambwana M J, Ndwambi M T, Magada M R, Sakhwari I, Makhubele R T, Maphahla A Z, Lerule M M
4.	<b>Youth, Women, Elderly, Gender People with Disability and Children:</b> Cllr Ratshikuni T D (Chairperson)	Mthombeni S Z, Mathalise L M, Mukhari M F, Matodzi N A, Nkanyani R G, Ledere E H, Madzivhandila R, Matumba N J, Mamafha T J, Chililo N F, Ramudzuli S D
5.	<b>Technical Services and Infrastructure:</b> Cllr Sinyosi S M (Chairperson)	Madzhiga N, Mathladisa S V, Kutama N, Mmboyi D, Mulovhedzi M D, Balibali N P, Jooma Z, Netshivhula P, Matumba M T, Ledere E H, Mamatsiari M S
6.	<b>Community Services:</b> Cllr Mashimbyi P F (Chairperson)	Mamafha T J, Maphala O S, Hlungwani K A, Madavhu F F, Jooma Z, Sakhwari I, Nkanyani R G, Kutama N, Selepe M R, Machovani G, Magada M R
7.	<b>Corporate Services:</b> Cllr Baloyi R S (Chairperson)	Madzhiga N, Mathoma P, Rasimphi M P, Mukhaha A J, Mamafha T C, Machete M, Davhana D, Mthombeni A Z, Malima M E
Sub-committees		
8.	<b>Corporate Services Sub-Committees</b>	Davhana N D, Mukhaha A J, Mthombeni S Z
	<b>A. Local Labour Forum</b> Cllr Baloyi R S (Chairperson)	
	<b>B. Employment Equity</b> Cllr Baloyi R S (Chairperson)	Mathoma P, Machete M, Mathalise L M, Malima M E
9.	<b>Pension Funds</b> • Cllr Baloyi R S (Chairperson)	Madzhiga N, Rasimphi M P, Mamafha T C
10.	<b>Planning, Economic Development, Tourism &amp; Traditional Affairs:</b> • Cllr Mamorobela T P (Chairperson)	Munyai N S, Malange R, Ngobeni N E, Gabara M J, Hlungwani B F, Magada M R, Kutama N, Balibali N P, Matumba M T, Selepe M R
11.	<b>Disaster, Moral Regeneration and Pastors Forum:</b> • Cllr Underwood J P (Chairperson)	Mamafha T J, Netshivhula P, Maphala O S, Makhuvha V S, Malema M E, Mmbadi T A, Mamatsiari M S, Mazibuko M P, Ndwambi M T, Madzivhandila R

#### Women's Caucus – section 79 Committee

Council composed another section 79 Committee in 2012/13 to serve as Women's Caucus

12	Women's Caucus The Speaker (Chairperson)	L M Mathalise, A J Mukhaha, M Q Ratshivhombela, M M Hlabioa, G Machovani, M S Mamatsiari.
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### 2.1.3.5. The Audit And Performance Audit Committee

The Performance Audit and Audit Committee was composed as follows:

Name	Designation
Ms. J Masite	Chairperson
Mr. A.M.M Badimo	Committee Member
Mrs. F.J Mudau	Committee Member
Dr J Zaaiman	Committee Member
Mr L.Z Fihlani	Committee Member

The Committee members are remunerated for preparation and attendance of meetings in line with the National Treasury Regulation that regulate the remuneration of commission and committee and were reimbursed for expenses incurred for attending audit committee meetings.

### 2.1.3.6. Meetings Held For 2013/2014 Financial Year (Council, EXCO and Portfolio Committees)

Table 8: Meetings held For 2013/2014 Financial Year (Council, EXCO and Portfolio Committees)

DATE	PORTFOLIO COMMITTEES	EXECUTIVE COMMITTEE	COUNCIL
July 2013 to June 2014	127	26	11
Total of official council and committee meetings held in 2013/2014 financial year = 164			

### 2.1.3.7. Annual report of the Audit and Performance Audit Committee for the financial year ending 30 June 2014

The Audit and performance Audit Committee is pleased to present its report for the financial year ended 30 June 2014.

#### AUDIT AND PERFORMANCE AUDIT COMMITTEE

The Audit Committee, as an independent advisory committee appointed by the Council, has been established in terms of section 166 of Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and section 79 of Municipal Structures Act ,1998 ( Act No, Act No.117 of 1998) .

Section 166 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), as amended, requires each municipality to have an audit committee – an independent advisory body that must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to internal financial control, internal audit, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with applicable legislation and any other issues referred to it by the municipal council.

King III further details the committee’s responsibility for oversight of combined assurance, which is provided by management, internal and external assurance providers. Combined assurance should be sufficient to satisfy the committee that significant risk areas within the organisation have been adequately addressed and that suitable controls exist to mitigate and reduce these risks.

The constitution, membership, authority, responsibilities, reporting, accountability, meetings, proceedings and remuneration of the Audit Committee is defined in its charter (terms of reference), in accordance with the requirements of the MFMA and King III. The terms of reference are reviewed, updated and approved by Council on an annual basis.

The appointment of members of the committee is approved by Council for a term of three years and, if re-elected, members may serve for only one further three-year term. Council approves the appointment of the chairperson from the members of the Audit Committee. No councillor or employee of the Municipality may be a member of the committee. Committee members are independent and collectively have the requisite knowledge of auditing, risk management, finance, governance, performance management, operations, information technology, relevant financial reporting and legislative frameworks.

The Council of Makhado Local Municipality has appointed its own Audit and Performance Audit Committee in February 2012 with Council resolution number (A.195.13.12.12) in accordance with the provisions as set out in Section 166 of the Municipal Finance Management Act, Act 56 of 2003 and Municipal Planning and Performance Management regulations, Regulation 14(2).

#### Appointment / Resignations

The Council has appointed Ms. Jane Masite as the Chairperson of the Audit and Performance Audit Committee and Ms. Anna Merrium Mmanoko Badimo and Ms. Fikile Judith Mudau ( additional members) to serve as the Council's Audit and Performance Audit Committee members in terms of Section 166 (6) (a) of the Municipal Finance Management Act, 2003 and Municipal Planning and Performance Management Regulations, Regulation 14(2) (a) and (c). The two members joined the Municipality in January 2013.

There were no appointments and resignation of the APAC members during 2013/14 financial year.

#### ATTENDANCE OF AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETINGS

The Audit and Performance Audit Committee consisted of the members listed hereunder and meet at least 4 times per annum as per its approved Charter. During the current year from 01 July 2013 to 30 June 2014, the Audit and Performance Audit Committee members attended the meetings as follows:

Name of member	Designation	Number of meetings held (2012/13)	Meetings attended by the individual members	Apologies
Ms. JS Masite	Chairperson and member ( with effect from 13 December 2012)	6	6	0
Mr. J Zaيمان	Member	6	6	0
Dr. AM Badimo	Member ( with effect from January 2013)	6	5	1
Ms. FJ Mudau	Member ( with effect from January 2013)	6	3	3
Mr. ZL Fihlani	Member	6	2	4

The Audit and Performance Audit Committee held six (6) meetings as follows in the 2013/14 financial year:

Date of meetings	Purpose of meeting
01 August 2013	Fourth quarter scheduled Audit and Performance Audit Committee 2012/13 financial year
28 August 2013	Special Audit and Performance Audit Committee meeting ( to consider Annual Financial Statements and Annual Performance Information)
22 October 2013	First quarter scheduled Audit and Performance Audit Committee 2013/14 financial year
28 November 2013	Special Audit and Performance Audit Committee Meeting ( to consider management letter and Auditor – General report)
22 January 2014	Second quarter Scheduled Audit and Performance Audit Committee 2013/14 financial year
28 May 2014	Special Audit and Performance Audit Committee Meeting ( to consider strategic documents to be submitted to Council ( SDBIP, Budget, IDP)

## **AUDIT AND PERFORMANCE COMMITTEE CHARTER**

The Audit and Performance Audit Committee report that it has adopted appropriate formal terms of reference as its Audit and Performance Audit Committee Charter has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Audit and Performance Audit Committee also reports that it has complied with its responsibilities arising from Section 166 of the Municipal Management Finance Act ("the Act"), Municipal Planning and Performance Management regulations, Regulation 14(2) and relevant other legislation as well as the King Report III on Corporate Governance for South Africa.

## **ANNUAL AUDIT OF MAKHADO LOCAL MUNICIPALITY**

The annual audit of Makhado Local Municipality by the Auditor General of South Africa (AGSA) has been finalised. The Audit and Performance Audit Committee reviewed the audit findings and the resultant audit report for the year ended 30 June 2014. The audit opinion and causes thereof on the accompanying financial statements were discussed in detail at the Audit and Performance Audit Committee meeting held on **28 November 2014**. The Audit strategy was also discussed and resolved that management to ensure that issues are not centralised within the finance department, communication Strategy between AG (SA) and management was developed Audit Steering Committee meetings were effective.

Information System Audit findings were reviewed and findings were presented to the APAC meeting held on 22 October 2014. By November 2014, management action plan to address issues raised by management was compiled by management with the assistant of COGSHTA. The Audit and Performance Audit Committee requested management to prepare management action plan to address issues raised by management on both the Audit report and management letter and corresponding responsible individuals and dates. The Internal Audit shall monitor the plan and management will inform the Committee regularly of the progress made on the matters raised by the Auditor General of South Africa.

## **AREAS OF FOCUS**

- 1 Review of the Internal Audit and Audit and Performance Audit Committee Charters before submission for noting and approval to Council respectively.
- 2 Review of the internal audit activities and approval of a three year internal audit plan up to June 2014.
- 3 Review of internal audit reports and management responses to address identified control weaknesses.
- 4 Follow-up of actions emanating from previous meetings and follow-up of actions implemented resulting from internal audit reports.
- 5 Liaison with Auditor General regarding past, current and future external audits.
- 6 Liaison with management regarding:
  - Resourcing of internal audit , ICT and risk management sections;
  - Action plans relating to Operation Clean Audit 2014;
  - Risk management and municipal risk assessment.
- 7 Liaison with Internal Audit, Performance Management and Risk Management functions.
- 8 Liaison with management regarding Annual Financial Statement, Budget and IDP and the SDBIP's.
- 9 Liaised with the chairperson of MPAC



## **THE EFFECTIVENESS OF INTERNAL CONTROL**

In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Performance Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. The Audit and Performance Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the municipality in its audit although it was not fully capacitated. During the year under review, several deficiencies in the system of internal control and/or deviations were reported by the Internal Auditors and the Auditor General of South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

## **RISK MANAGEMENT**

The Council has appointed an External Member of the Risk Management and Anti-Fraud and Corruption Committee in terms of Section 62(1) (c) (i) of the MFMA and the approved Risk Management and Anti-Fraud and Corruption Committee who serves as the Chairperson. The Audit and Performance Audit Committee report that risk management was not fully effective during the year. The annual strategic risk assessment was conducted in the third quarter of 2012/13 financial year, the Risk Management and Anti-Fraud and Corruption Committee was operational in the 2013/14 financial year. Although there is progression in the implementation of Risk Management since the beginning of 2013/14 financial year and the risk Maturity is very low. However, the failure by management to submit risk management reports timely to the Risk Management and Anti-Fraud and Corruption Committee and subsequently to the Audit and Performance Audit Committee impacted negatively on the effectiveness of the Audit Committee regarding risk management oversight.

## **PERFORMANCE MANAGEMENT SYSTEM AND PERFORMANCE INFORMATION**

The Audit and Performance Audit Committee report that the municipality had a functional performance management system during the year. The following, amongst others were noted regarding as improvements on performance management:

- The municipality had an approved performance management framework and functional performance management system during the year
- 80% of the issues raised by the AG (SA) in the previous financial year were resolved.

## **EVALUATION OF FINANCIAL STATEMENTS**

The Audit and Performance Audit Committee has

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the Accounting Officer on the Special meeting held on 22 August 2014;
- reviewed the Auditor-General's management report and management's response thereto;
- reviewed significant adjustments resulting from the audit;
- requested management to prepare action plans to correct matters mentioned on the audit report and management report for monitoring by the Audit and Performance Audit Committee.

The Audit and Performance Audit Committee concurs and accepts the Auditor-General's conclusions on the audited annual financial statements, the outcome of the Audit and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General, with the exception of the issues mentioned below

Special meeting between the Chairperson of the Audit and Performance Audit committee Chairperson, Risk Management Chairperson and the AG(SA) was held to ensure compliance to the Audit Strategy and effective communication. APAC was not satisfied that Management letter and the Audit report were discussed with management before being presented to the APAC meeting. Audit and Performance Audit Committee also discussed the report of the Auditor – General and they were content that:

- There was an effective communication exercised by the AG (SA) and management.
- Communication and Audit strategy were implemented.
- AG(SA) has finalised its audit on time and the Audit report and management letter were presented management and issues were cleared before reports are submitted to the Audit and Performance Audit Committee and this ensured that the Committee exercise its responsibilities in terms of section 166 of the MFMA.
- There was co-operation between the AG(SA) representatives and the municipality

The Audit and Performance Audit Committee recommends continued improvement of the co-operation exercised in the year between the AG (SA) representatives and the municipality. It is important to note that the Audit and Performance Audit Committee does not have executive powers. The implementation of recommendations made by the Audit and Performance Audit Committee is the prerogative of management. We therefore agree with the opinion expressed by the Auditor General regarding the Audit and Performance Audit Committee. The minutes of the Audit and Performance Audit Committee meetings reflect the role that the audit committee played in this regard, including the review of the annual financial statements before submission to the Auditor General.

#### **REPORTING TO COUNCIL**

Quarterly Audit and Performance Audit Committee report were submitted to Council and the Chairperson of the Audit and Performance Audit Committee was given an opportunity to present the report to Council.

#### **ASSESSMENT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE**

The effectiveness of the committee is annually monitored by Council. The Speaker, Audit and Performance Audit Committee members, Internal Audit and Management were asked to evaluate the effectiveness of the Audit and Performance Audit Committee and was assessed on the following areas:

	AREA	Overall Rating	Areas where improvement could be considered
A.	Composition and Quality	4.71	None
B.	Understanding Business and Risks	4.75	None
C.	Oversight of Internal and External auditors	4.08	They oversee only evaluation and compensation is the responsibilities of the Municipality.
D.	Process and Procedure	4.2	All members have relevant experience, skills and expertise. (IA)
E.	Communication	4.55	None
F.	Oversight of Internal Controls, Risk Management, Governance & Financial Reporting	4.32	None
G.	Overall Performance	4.93	None

The Audit and Performance Audit Committee has so far done or performed well with regard to their responsibilities-Meetings on one to one between the Executive Mayor, Municipal Manager and the Chairperson need to be held at least every three months as these meetings proved productive. Both committees' work was of high quality and their output is commendable. A huge amount of audit documentation has been dealt with and

they fulfilled their mandates in terms of Section 166 of the MFMA and its own Council approved charter. The overall performance of the Audit and Performance Audit Committees was excellent and they have received the full support of management.

It is worth highlighting that the current Audit and Performance Audit Committees has added value to the Municipality as already, we have observed noticeable changes including attitudes of staff and management regarding the Internal Audit matters. Management has noted that there was a positive contribution to the Financial, Performance, Risk Management and compliance matters.

APAC provide many very significant inputs. Internal Audit reports identify clear shortcomings in controls. Corrective steps and preventive measures appear to be slow or in some instances not attended to. Many recurring items appear in subsequent meetings. The Audit and Performance Audit Committee is providing an excellent service to the Municipality. With their presence and involvement in the Municipality, the Municipality has been taken towards better Audit opinion. More consultative engagement are required between the Municipal Manager and Management and the Audit and Performance Audit Committee on technical reporting matters that have affected the municipality's performance over the past 5 years e.g. Assets Classification and land inventory etc.

### **APPRECIATION**

The Audit and Performance Audit Committee wishes to thank the Council, the Accounting Officer of Makhado Local Municipality and the municipal officials for the cordial manner in which this year's audit was conducted, together with the enthusiasm shown by management and the mayor to address the issues identified.

The Committee congratulates the municipality for improving the Audit Opinion.

**On behalf of Makhado Local Municipality Audit and Performance Audit Committee**

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MS S J MASITE

**Chairperson of the Audit and Performance Audit Committee**

28 November 2014

**Date**

## 2.2. ADMINISTRATIVE COMPONENT - MUNICIPAL MANAGEMENT

Makhado Municipality has 6 Section 57 Managers positions which are Municipal Manager, Director Community Services, Director Corporate Services, Director Technical Services, Director Development and Planning and Chief Financial Officer. For the financial year under review the following were changes in terms of Section 57 Managers:

NAME	POSITION	COMMENTS
Mutshinyali I.P	Municipal Manager	N/A
Kanwendo M.J	Director Community Services	Mr Kanwendo M.J acted as Director Community Services before he was appointed into the position
Mrs Sinthumule M D	Director Development and Planning	N/A
Vacant	Director Corporate Services	Mr Kharidzha N.C acted immediately when Mrs Ndou T.S contract expired
Vacant	Director Technical Services	Mr Ragimana L acted for the rest of the financial year
Ms Makhubele MP	Chief Financial Officer	N/A

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

Makhado Municipality participate in intergovernmental relations forums such as District, Provincial and National Forums. The primary purpose of the intergovernmental relations is to enhance intergovernmental relations by mobilizing resources and strategic partnerships which will ensure co-ordination of service delivery by all departments to the community of Makhado. Intergovernmental relations help in the following

- Coordinating and managing all municipal relationships with other spheres of government.
- To ensure that there is a strong link between departments internally and the two spheres of government (National and Provincial).
- To facilitate information and knowledge sharing through inter-municipal cooperation.
- To build managerial and technical capacity (through study tours, exchange programmes, seminars and conferences).
- To develop project partnerships with other government departments for mutual benefit.
- To create employment through the public works programmes.
- To ensure that there is monitoring and alignment of municipal budgets and IDP implementation with provincial and national government departments.
- Promoting efficient lines of communication and between the municipality and other spheres of government.
- Ensure efficient relations and sharing models of good practice with other municipalities.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Council of Makhado is committed to sustainable participation of its residents in all decision making processes. As a Municipality, we have engaged our community through the existing public participation mechanisms and structures. Eight (8) public participation meetings were convened in all regions, four (4) IDP Representative Forum were coordinated in all Regions. Our Ward Committees are meeting on a monthly basis to consider all service delivery issues at ward level, this system will need to improve so that we can maximize corrective action to address service delivery backlogs. Other community stakeholders and interest group meetings were held throughout the year to ensure that we listen and act on the needs of our people.

## COMPONENT D: CORPORATE GOVERNANCE

This component deals with issues of risk management, anti-corruption and fraud, supply chain management, by laws, websites, public satisfaction on municipal services and all municipal oversight committee. The risk management and anti-corruption issues were well addressed in the municipal manager's foreword in chapter 1 and Audit and Performance committee statement in this chapter. The supply chain management issue is well dealt with in component D of chapter 5 and component E of chapter 4. Municipal by-laws are public regulatory laws which apply in a certain area. Makhado have municipal by laws that reflect as follows:

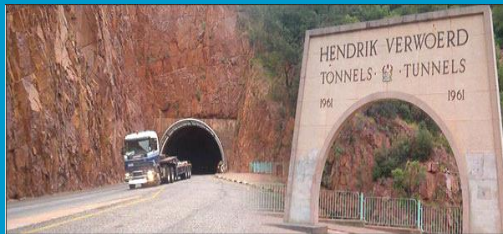
Provincial Gazette 3861 dated 5 January 1977:	Notice 21, Standard Water Supply By-laws (the only one of former LTT Municipality on website)
Provincial Gazette Limpopo No 1391 dated 31 August 2007:	Notice No 228, Rules and Orders
Provincial Gazette Limpopo No 1523 dated 25 July 2008:	Notice No 216, Property Rates By-laws
Provincial Gazette Limpopo No 2085 dated 14 June 2012:	Notice No 108, Tariff By-laws Notice No 109, Credit Control and Debt Collection By-laws
Provincial Gazette Limpopo No 2134 dated 24 October 2012	Notice No 203, Trading: Street Trading By-laws Notice No 204, Child Care Facilities By-laws Notice No 205, Environment: Inflammable Liquids and Substances By-laws Notice No 206, Outdoor Signs By-laws Notice No 207, Public Health: Fumigation By-laws Notice No 208, Environment: Parks, Gardens and Open Spaces By-laws Notice No 209, Municipal Facilities: Hiring of Municipal Premises and Amenities By-laws Notice No 210, Municipal Facilities: Sport Facilities By-laws
Provincial Gazette Limpopo No 2106 dated 10 August 2012	Notice No 163, Parking Meter and Parking Ground By-laws
Provincial Gazette Limpopo No 2293 dated 20 December 2013	Notice No 181, Aerial Systems By-laws Notice No 182, Caravan Park By-laws Notice No 183, Fences and Fencing By-laws Notice No 184, Commonage By-laws Notice No 185, Aerodrome By-laws
Provincial Gazette Limpopo No 2294 dated 20 December 2013	Notice No 179, Public Health: Animal By-laws Notice No 180, Roads, Traffic and Safety By-laws
Provincial Gazette Limpopo No 2331 dated 19 March 2014	Notice No 30, Control of Temporary Advertisements and Pamphlets By-laws Notice No 31, Waste Management By-laws Notice No 32, Food Handling By-laws Notice No 33, Building Regulations By-laws
Provincial Gazette Limpopo No 2381 dated 27 June 2014	Notice No 95, Municipal Property Rates By-laws

Makhado Municipality website is always up to date. Both the information technology and communication units work together to ensure that right and well edited information is placed into the website. During izimbizos the community gets a chance to reflect back on the performance of the municipality. The performance quarterly reports are placed on the website for public consumption. The issue of municipal oversight committees well dealt with in chapter 2 of this report.



# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT - PART I)



## ANNUAL REPORT 2013/2014



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

### 3.1. OVERVIEW OF SERVICE DELIVERY

The budget allocation for infrastructure development as approved by Council after the Mid-year Financial and Performance Assessment and approval of the Budget Adjustment to address services backlogs amounted to R 88,224,365.53. The following backlog of services in terms of Census 2011 is as follows:

<u>Service</u>	<u>Number</u>
Potable Water	129 224
Sanitation	66 048
Refuse Removal (household)	88 252
Electricity	21192 (includes Eskom distribution area in municipal jurisdiction)
Housing	16 807

The capital expenditure during the financial year under review amounted to 86% (R122 488 757.48).

#### Overview of capital projects implemented

The municipality has successfully implemented 10 roads and storm water infrastructure projects, two community halls and 19 electrification projects. However a slow progress in the implementation of electrification projects was experienced due to lack of forward planning and project commitment.

#### Bulk waste water treatment works: Makhado Town

Construction for a new waste water treatment works in Makhado Town was completed in the 2013/2014 financial year. This is a project commissioned by Vhembe District Municipality (VDM) as the Water Services Authority (WSA/WSP) who also appointed the consulting engineers and contractors for this purpose. If funds become available, the total capacity of this new wastewater treatment plant will increase to 10 mega litres per day.

#### Electricity connections performed

A total of one thousand four hundred and twenty six (1426) households have been supplied with electricity connections in the Eskom Area. In the case of the municipality's electricity licensed area, all households have already been provided with electricity and work in these areas are mostly post connections where villages are extended and or additional supply points are done in terms of the supply policy. This additional connections made has reduced the electricity services backlog by 5%.

#### Roads rehabilitation

Some roads were rehabilitated and upgraded. A total of altogether of 25.2km of roads has been successfully completed.

### 3.2. BASIC SERVICES

Below is information relating to water; waste water (sanitation); electricity; solid waste management (refuse removal) and provision of housing for the poor, as well as a summary of delivery of free basic services.

### 3.2.1 WATER SERVICES

The available water infrastructure is insufficient to meet the population growth demands. The five (5) respective raw water sources (RWS) is not meeting the demand of the population, i.e. Vondo RWS, Mutshedzi dam RWS, Tshitale dam RWS, Middle Letaba dam RWS and Albasini dam RWS. These RWS is not sufficient to even meet the population demand in terms of the Reconstruction and Development Program (RDP) water supply standard. [In terms of the RDP standard each household has to have access to clean potable household water measured as at least 25 litres per day per person]

Most of the two hundred and ninety seven (297) rural villages in the municipal are served by means of communal stand pipes/taps with water sourced from boreholes with related storage facilities.

The Makhado Municipality has inadequate and fragmented water service provision with different standards and plans. The inadequate water provision implies that less water will be available for agricultural use, which is one of the main pillars of the economy. Unauthorized water connection is also amongst the key challenges of the municipality. The water systems are not metered and monitored on continuous basis.

Makhado Municipality is since 2003 also not the WSA/WSP for its own municipal area, but performs the operational function of water in terms of a Service Level Agreement on behalf of VDM as WSA/WSP. This arrangement is very challenging due to the multiple activities of water sourcing, purifying and supplying together with all the maintenance requirements, especially in the area of procurement of materials, goods and services.

**Table 9:** Access to Water

Access to Water			
	Proportion of households with access to water points	Proportion of households with access to piped water	Proportion of households receiving 6 kl Free Basic Water
2012/13	48%	48%	29%
2013/14	56%	56%	35%

**Table 10:** Employees: Water Services

Job Level	2012/13				2013/2014		
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	%
0 - 3	1	2	1	50	2	1	50
4 - 6	4	2	1	50	2	1	50
7 - 9	11	7	1	10	7	1	10
10 - 12	0	10	07	70	10	07	70
13 - 15	126	34	0	0	34	0	0
16 - 18	0						
19 - 20	0						
Total	142	55	10		55	10	



### 3.2.2. SANITATION SERVICES (SEWER)

The two hundred and ninety seven (297) rural villages also do not have proper sanitation facilities and individual households have to construct their own pit latrines. Approximately eight thousand two hundred and fifty one (8, 251) households do not have sanitation at RDP standard [RDP standard for sanitation is at least an air ventilated pit latrine] The overall sanitation system needs improvement as there is no system to adequately address the plight of filled VIP toilets. In addition the fact that water supply is insufficient to meet the demand also impacts on water borne sewerage systems for households.

Makhado Municipality is since 2003 also not the WSA/WSP for its own municipal area, but performs the operational function of sanitation in terms of a Service Level Agreement on behalf of VDM as WSA/WSP. This arrangement is very challenging due to the multiple activities of waste water collection, purifying and disposal thereof according to acceptable standards with all the maintenance requirements, especially in the area of procurement of materials, goods and services.

### WASTE WATER (SANITATION)

**Table 11: Sanitation**

Description	2011/12	2011/12	2012/13		2013/2014		
	Outcome	Outcome	Target	Actual	Target	Actual	Remedial Action
	No.	No.	No.	No.	No.	No.	
<i>Sanitation/sewerage: (above minimum level)</i>							
Flush toilet (connected to sewerage)	1,070	19,553	*	*	*	*	None
Flush toilet (with septic tank)	1,742						None
Chemical toilet	0	0	*	*	*	*	None
Pit toilet (ventilated)	2,694	76,773	*	*	*	*	None
Other toilet provisions (above minimum service level)	67,309		*	*	*	*	None
<i>Minimum Service Level and Above sub-total</i>		96,326	*	*	*	*	None
<i>Minimum Service Level and Above Percentage</i>		71,4	*	*	*	*	None
<i>Sanitation/sewerage: (below minimum level)</i>		9,734					None
Bucket toilet	0	748	*	*	*	*	None
Other toilet provisions (below minimum service level)		0	*	*	*	*	None
No toilet provisions	41,234	8,986	*	*	*	*	None
<i>Below Minimum Service Level sub-total</i>	26,940	9,734	*	*	*	*	None
<i>Below Minimum Service Level Percentage</i>		7.2	*	*	*	*	None

\*VDM is the registered WSA/WSP and holds these figures.  
The Makhado data base does not reflect on accurate totals for this table.

Makhado Municipality is the beneficiary on water services provision from the WSA. It makes it difficult to populate the table above as the same information is not provided for in WSA IDP. The information provides from the IDP of the WSA it's a district wide data (not specific to local municipalities). The figures provided are as per Makhado Municipality IDP.

Description	2011/12		2012/13		2013/2014		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.	No.
Formal Settlements							
Total households	67,309	*	*	*	*	*	*
Households below minimum service level	67,309	*	*	*	*	*	*
Proportion of households below minimum service level		*	*	*	*	*	*
Informal Settlements		*	*	*	*	*	*
Total households		*	*	*	*	*	*
Households below minimum service level		*	*	*	*	*	*
Proportion of households below minimum service level		*	*	*	*	*	*

\*VDM is the registered WSA/WSP and holds these figures.

The Makhado data base does not reflect on accurate totals for this table.

**Table 12:** Employees: Sanitation Services

Employees: Sanitation Services					
Job Level	2012/13		2013/2014		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	2	1	50
4 - 6	1	4	2	1	50
7 - 9	11	11	7	1	90
10 - 12	13	0	10	7	70
13 - 15	44	126	34	0	0
16 - 18	0	0			
19 - 20	0	0			
Total			55	10	

**Table 13: Service Targets**

Financial Year		2011/12		2012/13		2013/2014		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<i>e.g. Provision of toilets within standard</i>	Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs)					25 112	25 112	None
						8 251	8 251	

	remaining without minimum sanitation at year end)							
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\*VDM is the registered WSA/WSP and holds these figures. The Makhado data base does not reflect on accurate totals for this table.

### **3.2.3 ELECTRICITY SERVICES**

About twenty one thousand one hundred and ninety two (21,192) households are without electricity [these households are mainly in the Eskom distribution licensed area]. The municipality has a FBE policy targeted at poor households which are referred to more fully herein below. A number of eight hundred and eighty two (882) household made uses of solar energy system where there is no conventional grid available to supply the service.

#### **3.2.3.1 Overview**

This service is the distribution of electricity in the Makhado Municipality's distribution license area which includes the supply, maintenance and operation as well as the bulk purchase and sales of electricity.

#### **3.2.3.2 Description of the activity:**

The Municipality has a joint responsibility with Eskom to electrify and service all customers as well as households. The Municipality has a licensed area and Eskom has a licensed area in the jurisdiction of Makhado Municipality to distribute electricity.

#### **3.2.3.3 The Municipality has a mandate to:**

Distribute electricity in terms with its electricity supply distribution license issued by the NERSA, the Electricity Act (as amended), the OHS Act and its regulations, Council Policies, Practices, Procedures, Standards and Electricity By-Laws.

#### **3.2.3.4 The 4 top strategic objectives of this function for 2013/14 were:**

- i) To address the insufficient capacities of the bulk supply.
- ii) To upgrade all main substations in order to meet the development demands.
- iii) Proceed with rural electrification projects (post connections) electrification. All existing villages have been electrified. The emphasis was therefore on extensions, post connections and fill-ins.
- iv) Demand side management and energy saving

#### **3.2.3.5 The 4 key issues for 2013/14 were:**

- i) To secure a loan for the bulk supply and substation upgrades.
- ii) Supply and maintain effective electrical service to all customers in Makhado Municipality.
- iii) Reducing Electricity household backlog.
- iv) Embarked on an energy efficiency plan and revenue enhancement

**Table 14: Electricity Service Delivery Levels**

Electricity Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/2014
	Actual	Actual	
	No.	No.	
<i>Energy: (above minimum level)</i>			
Electricity (at least minimum service level)	2,469 111,134.00	86060	90120
Electricity - prepaid (minimum service level)	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-
<i>Minimum Service Level and Above Percentage</i>		66	71
<i>Energy: (below minimum level)</i>	14,298	34693	35562
Electricity (<minimum service level)			
Electricity - prepaid (< min. service level)	-	-	-
Other energy sources	-	-	-
<i>Below Minimum Service Level sub-total</i>	14,298	34693	34693
<i>Below Minimum Service Level Percentage</i>	11	26	26
Total number of households	134,889	129665	129665

**Table 15: Service Targets**

Financial Year		2011/12		2012/13		2013/2014		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<b>Provision of minimum supply of electricity</b>	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	111,134	111,134	2065	1073	1046	1046	Need more funding

**Table 16: Employees: Electricity Services**

Employees: Electricity Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0
4 - 5	10	9	8	1	10
6 - 9	26	16	16	0	0
10 - 12	42	39	33	6	15

Employees: Electricity Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	28	24	22	2	8
16 - 18					
19 - 20					
<b>Total</b>	<b>110</b>	<b>92</b>	<b>83</b>	<b>9</b>	<b>9.7</b>

**Table 17: Capital Expenditure 2013/14: Electricity services**

Project Name	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Ring Main Units 11kV(RMU)	R 1 000 000.00	R 500 000.00	R 428 310.87	R 71 689.13	R 428 310.87
Mini Subs	R 600 000.00	R 600 000.00	R 434 250.00	R 165 750.00	R 434 250.00
Upgrade Mara Line	R 300 000.00	R 300 000.00	179 104.52	R 120 895.48	R 179 104.52
MV Cables 70mm <sup>2</sup> - urban network	R 1 000 000.00	R 1 000 000.00	1 098 744.00	R -98 744.00	R 1 098 744.00
Library standby supply	R 20 000.00	R 20 000.00		R 20 000.00	R 0.00
MV Cables 95mm <sup>2</sup> 22Kv	R 350 000.00	R 0.00		R 0.00	R 0.00
Upgrade Tshipise line	R 250 000.00	R 250 000.00	213 011.43	R 36 988.57	R 213 011.43
Replace Line protection control Panel complete Makhado Sub	R 650 000.00	R 150 000.00	132 226.72	R 17 773.28	R 132 226.72
Recloser whole network	R 600 000.00	R 600 000.00	526 315.80	R 73 684.20	R 526 315.80
Recloser controls x 5	R 650 000.00	R 650 000.00	540 458.73	R 109 541.27	R 540 458.73
New Transformers 2 x 10MVA 22/11	R 1 000 000.00	R 0.00	R 0.00	R 0.00	R 0.00
7 Ton Pole truck	R 700 000.00	R 700 000.00		R 700 000.00	R 0.00
Upgrading Mountain line	R 1 250 000.00	R 1 250 000.00	R 0.00	R 1 250 000.00	R 0.00
Upgrading Industrial line	R 1 500 000.00	R 1 250 000.00	R 0.00	R 1 250 000.00	R 0.00
Sub Station battery charger x 2 & batteries	R 300 000.00	R 300 000.00	R 0.00	R 300 000.00	R 0.00
Post Connections. Zamekomste, Tshikodobo, Madadonga, mashau, Matshawawe, Tshikota & Tshioswi	R 1 000 000.00	R 1 000 000.00	1 061 823.64	R -61 823.64	R 1 061 823.64
Electrification in Eskom Areas	R 2 266 000.00	R 2 266 000.00	3 238 042.51	R -972 042.51	R 3 238 042.51
Electrification in Eskom Areas	R 1 815 000.00	R 1 815 000.00	1 318 863.78	R 496 136.22	R 1 318 863.78
Electrification in Eskom Areas	R 1 111 000.00	R 1 111 000.00	2 873 893.65	R -1 762 893.65	R 2 873 893.65
Electrification in Eskom Areas	R 550 000.00	R 550 000.00	R 0.00	R 550 000.00	R 0.00
Electrification in Eskom Areas	R 495 000.00	R 495 000.00	R 0.00	R 495 000.00	R 0.00
Electrification in Eskom Areas	R 605 000.00	R 605 000.00	556 739.00	R 48 261.00	R 556 739.00

Project Name	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Electrification in Eskom Areas	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Electrification in Eskom Areas	R 770 000.00	R 770 000.00	R 0.00	R 770 000.00	R 0.00
Electrification in Eskom Areas	R 990 000.00	R 990 000.00	655 622.73	R 334 377.27	R 655 622.73
Electrification in Eskom Areas	R 660 000.00	R 660 000.00	R 0.00	R 660 000.00	R 0.00
Electrification in Eskom Areas	R 770 000.00	R 770 000.00	65 389.41	R 704 610.59	R 65 389.41
Electrification in Eskom Areas	R 685 292.00	R 685 292.00	556 019.26	R 129 272.74	R 556 019.26
Electrification in MLM Areas	R 345 000.00	R 345 000.00	276 711.50	R 68 288.50	R 276 711.50
Electrification in MLM Areas	R 306 496.00	R 306 496.00	314 786.07	R -8 290.07	R 314 786.07
Electrification in MLM Areas	R 510 000.00	R 510 000.00	609 095.67	R -99 095.67	R 609 095.67
Electrification in MLM Areas	R 426 158.00	R 426 158.00	352 524.87	R 73 633.13	R 352 524.87
Electrification in MLM Areas	R 349 345.00	R 349 345.00	250 289.21	R 99 055.79	R 250 289.21
Electrification in MLM -Areas	R 224 200.00	R 224 200.00	224 199.34	R 0.66	R 224 199.34
Electrification in MLM -Areas	R 636 509.00	R 636 509.00	352 524.87	R 283 984.13	R 352 524.87
Electrification in MLM -Areas	R 562 521.00	562521	250 289.21	R 312 231.79	R 250 289.21
Electrification in MLM -Areas	R 376 607.00	777615		R 777 615.00	R 0.00
Electrification in MLM -Areas	R 545 872.00	R 376 607.00	224 199.34	R 152 407.66	R 224 199.34
Electrification in MLM -Areas	R 0.00	R 545 872.00	112 150.00	R 433 722.00	R 112 150.00
Electrification in MLM -Areas	R 0.00	R 17 181.00	17 181.05	R -0.05	R 17 181.05
Electrification in MLM -Areas	R 0.00	R 42 103.00	12 649.70	R 29 453.30	R 12 649.70
Electrification in MLM -Areas	R 0.00	R 183 197.00	169 831.80	R 13 365.20	R 169 831.80
Masakhane electrification		1859831	1 940 843.08	R -81 012.08	R 1 940 843.08
Nditwani electrification		529230.62		R 529 230.62	R 0.00
Upgrade ablutions	R 100 000.00	384503.86		R 384 503.86	R 0.00
Standby quarters	R 250 000.00	R 132 048.00	132 048.00	R 0.00	R 132 048.00
Land lights at air strip	R 700 000.00	R 494 503.61	454 239.13	R 40 264.48	R 454 239.13
Sets of tools for new electricians	R 50 000.00	R 100 000.00	57 304.88	R 42 695.12	R 57 304.88
Tools for metering protection & electrification	R 40 000.00	R 250 000.00	190 190.36	R 59 809.64	R 190 190.36
Bush cutters	R 200 000.00	R 700 000.00	604 224.20	R 95 775.80	R 604 224.20
Compactor	R 30 000.00	R 54 000.00	50 561.45	R 3 438.55	R 50 561.45
4 x Extension power chain saws	R 20 000.00	R 4 000.00	3 516.00	R 484.00	R 3 516.00
6 x Chain saws	R 18 000.00	R 20 000.00	18 066.67	R 1 933.33	R 18 066.67

Project Name	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
6 x Telescopic tree prunes ( silky pruners)	R 30 000.00	R 23 000.00	22 539.47	R 460.53	R 22 539.47
Cable locator LV	R 80.00	R 20 000.00	17 222.82	R 2 777.18	R 17 222.82
Data loggers x 2	R 30 000.00	R 18 000.00	16 428.77	R 1 571.23	R 16 428.77
Portable transformer testing equipment	R 160 000.00	R 23 000.00	22 631.58	R 368.42	R 22 631.58
Strategic Spares	R 196 000.00	R 0.00	R 0.00	R 0.00	R 0.00
Air conditioner (SCM& Musekwa)	R 30 000.00	R 30 000.00	R 0.00	R 30 000.00	R 0.00
Air conditioner replacements	R 300 000.00	R 0.00	R 0.00	R 0.00	R 0.00
Hydraulic crimping tool set	R 20 000.00	17543.85	17543.85	R 2 546.15	17543.85

### **3.2.3.6 Performance Summary of Electricity services overall**

- Of the total approved capital expenditure 86% could be spent.
- An amount of R13.7million was earmarked for roll over to the 2013/14 financial year.
- Of the 75 projects funded by own income as capital source, only 22 projects could fully be completed.
- A total of 53 projects have been cancelled due to financial constraints.
- A total of 14 projects were still being completed at the end of the 2013/14 financial year.
- The total allocation of the INEP was utilized for the electrification extension of the Tshikwarani/Muduluni project, which is a multiyear project.

### **3.2.4 REFUSE REMOVAL SERVICES (WASTE MANAGEMENT)**

Municipality is responsible for operating and maintaining a solid waste management service (refuse removal) dealing with solid waste collection, storage and management thereof, particularly at household and business level. There are two permitted landfill sites, one in operation and full to capacity, another one is under development phase. There are three licenses/permits for waste transfer stations within the municipality. One is developed in Dzanani Region and other two to be developed 2015/16. There are six developed waste drop-off facilities and 174 waste still bin planted in Sinthumule/Kutama area and other three facilities are planned to be developed in Tshakhuma, Siloam and Bungeni. The division hired 119 EPWP project workers as part of Nakhisani Vhupo Hashu which is aimed to improve waste management service standard and at the same time alleviating poverty. The rehabilitation of the old landfill site is in progress. The construction of the new landfill site is also in progress.

#### **3.2.4.1 Overview**

Fully fledged domestic and business refuse removal services are delivered with own staff in Makhado Town and the four R293 towns which are Dzanani, Vuwani, Watreval and Vleifontein. This is done once per week in the households; and twice per week in business premises collection points.

Refuse collection and cleaning up of public open spaces in rural areas totaling 51,902,25m<sup>2</sup> area forms part of the service. Waste Management is further done through control and operation of one (1) permitted refuse landfill site of 10ha in extent. Recycling of waste at the official refuse landfill site by a private company which employed twenty (20) people.

This unit further cleans main routes in towns and villages by removing branches and other objects from the surface of roads, by removing carcasses of animals and undue waste that are dumped illegally on an as and when reported basis or when discovered upon road inspections. Clean up campaigns and workshops on waste minimization and on the impacts of poor handling of waste (illegal dumping & burning) to the environment are conducted from time to time. It further assesses monitors and clean overgrown grass and shrubs in both private and public land using 20 EPWP project workers. Emerging waste recycling companies and the formation of entrepreneurs are supported and the emphasis on separation of waste at the source is further encouraged.

#### 3.2.4.2 Challenges experienced

The following are challenges experienced in the solid waste management function of the municipality:

- Lack of skilled personnel on waste management infrastructures & lack of equipment due to budget constraints.
- The rehabilitation of the old landfill site is not yet complete,
- The new landfill site is not yet complete,
- Used disposal nappies which are disposed of at public areas,
- Illegal refuse disposal sites,
- Lack of funds to develop infrastructures,
- Insufficient income generation for waste,
- Lack of covering material at the landfill site

#### Intervention strategy to address challenges

- To expedite the development of the new landfill site
- To develop other waste management facilities,
- To intensify revenue enhancement through waste collection services,
- To train personnel on proper management of waste disposal facilities,
- To intensify education and awareness campaigns towards waste and environment.
- To outsource waste covering material (soil).
- To finalise the new landfill site
- To finalise the rehabilitation of the old landfill site.

**Table 18:** Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels				Households	
Description	2011/12	2012/13		2013/2014	
	Actual	Actual			Remedial Action
	No.	No			
<b><i>Solid Waste Removal: (Minimum level)</i></b>					None
Removed at least once a week	10 998	10 998			None
<i>Minimum Service Level and Above sub-total</i>	10 998	10 998			None
<i>Minimum Service Level and Above percentage</i>	8%	0			None
<b><i>Solid Waste Removal: (Below minimum level)</i></b>					None



Removed less frequently than once a week	0	0			None
Using communal refuse dump	0	0			None
Using own refuse dump	0	0			None
Other rubbish disposal	0	0			None
No rubbish disposal	118 667	118 667			None
<i>Below Minimum Service Level sub-total</i>	118 667	118 667			To reduce the number of un-served households by at least 2%
<i>Below Minimum Service Level percentage</i>	91.5%	91.5%			None
<b>Total number of households</b>	10 998	10 998			None

**Table 19:** Households - Solid Waste Service Delivery Levels below the minimum

Households - Solid Waste Service Delivery Levels below the minimum						
Description				Households		
	2010/11	2011/12	2012/13	2013/14		
	Actual	Actual		Original Budget	Adjusted Budget	Actual
	No.	No.		No.	No.	No.
<b>Formal Settlements</b>						
Total households	129 665	129 665	129 665	129 665	129 665	10998
Households below minimum service level	119 809	119 809				
Proportion of households below minimum service level	92%	92%	92%			
<b>Informal Settlements</b>						
Total households	0.00	0.00	0.00			
Households below minimum service level	0	0	0	0.00	0.00	0.00
Proportion of households below minimum service level						

**Table 20 Service Targets**

<b>Waste Water (Sanitation) Service: To maintain clean, healthier and safe environment for the community.</b>										
<b>Service Indicators: Number of households served with a provision of weekly collection service</b>										
<b>Financial Year</b>	<b>2010/11</b>		<b>2011/12</b>		<b>2012/13</b>		<b>2013/14</b>			
<b>Service Targets</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Remedial Action</b>	
<b>Service objectives:</b>										
<b>Provision of weekly collection service per household (HH)</b>	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	9 856	9 856	9856	9856	10375	10375	10998	10998	None

<b>Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites</b>	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage						1%	2%	2%	None
<b>Proportion of waste that is recycled</b>	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.						40 %	42%	42%	None
<b>Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.</b>	% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.				1		1	1	1	None

**Table 21:** Employees: Solid Waste Management Services

Employees: Solid Waste Management Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies(as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
7 - 9	1	1	1	0	0
10 - 12	6	6	6	0	0
13 - 15	74	67	67	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	83	76	76	0	0

**Table 22** Employees: Waste Disposal and Other Services

Employees: Waste Disposal and Other Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0

Employees: Waste Disposal and Other Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	0	0
13 - 15	3	3	0	0	0
16 - 18	0	0	0	0	
19 - 20	3	3	1	0	0
Total	7	7	2	0	0

**Table 23** Capital Expenditure 2013/14: Waste Management Services

Project Name	Location	Budget	Adjusted Budget	Progress Made	Challenges	Measures for Improvements
Development of the new landfill site	Eltivillas	R 3 000 000.00	R 3 000 000.00	Target not achieved. Fencing is 90% done. Guardhouse is complete, Waste disposal cell at 70%.	Workers were on strike	To speed up the process.
Rehabilitation of the existing landfill site	Eltivillas	R 2 500 000.00	R 2 500 000.00	Target not achieved. Bush clearing, Digging of holes, Planting of poles on the western side of the landfill and all material purchased.	Due to affordability specifications were changed from concrete palisade and razor wire after tender has been awarded.	To ensure that the service provider complete the project within the first quarter of 2014/2015 financial year. Close monitoring of the project.
Refuse Compactor Machine	Municipal Wide	R 3 000 000.00	R 3 000 000.00	Target achieved. Goods Delivered.	N/A	N/A
Dzanani Transfer Station	Dzanani	R 500 000.00	R 500 000.00	Target achieved. Dzanani Transfer Station completed	N/A	N/A
2 projects were completed while 2 were not.						

### 3.2.4.2. Performance Summary Overall

The waste management unit did perform as expected regarding implementation of Capital Projects. The rehabilitation of the landfill site is still in progress. The construction of the new landfill site is also on progress. The challenge remains with the development of the Integrated Waste Management Plan BY COGHSTA. The waste compactor machine has been purchased.

### 3.2.5 Housing for the poor

The provision of housing is the mandate of the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges and resolving them with local stakeholders like Ward Committees and traditional leaders. Disputes over ownership, illegal transfer and occupation, illegal connection of electricity and water in various project areas like Tshikota, Hlanganani Township, Vyeboom and other areas are still a concern. The Makhado IDP for 2013/2014 identifies the housing backlog to be at sixteen thousand eight hundred and seven (16,807) units.

**Table 24 Access to housing**

Percentage of households with access to basic housing					
Financial Year	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements	Households in informal settlements	Percentage of HHs in informal settlements
2009/10	-	-	-	-	-
2010/11	-	-	106,228.00	-	-
2011/12		6150	107,108.00	-	-
2012/13					

**Table 25 Service targets**

Table 22							
Housing Service Objectives : To facilitate provision of quality housing							
Service Indicators: Number of people included in the data base							
Financial Year	2011/12		2012/13		2013/2014		
Service Targets	Target	Actual	Target	Actual	Target	Actual	Remedial Action
Services objectives	950	950	880	879			
1. Development of housing beneficiary list	880	880	502o	415			Contract expired before completion. Issue to be taken to Project Manager from CoGHSTA
2. Conducting housing Consumer Education for beneficiaries							
3. Identification of Development areas.							
4. Development of three year circle for housing development.							
5. Handling of all complaints related to housing issues							

**Table 26 Employees: Housing Services**

Employees: Housing Services					
Job Level	2012/13		2013/14		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0		
4 – 6	1	1	1		
7 – 9	3	3	3		
10 – 12	0	0	0		
13 – 15	0	0	0		
16 – 18	0	0	0		
19 – 20	0	0	0		
Total	4				

**Table 27** Financial Performance 2013/14: Housing Services

Financial Performance 2013/14: Housing Services					
R'000					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	1872334.10			1872334.10	
Expenditure:	COGHSTA	COGHSTA		COGHSTA	COGHSTA
Employees					
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other					
<b>Total Operational Expenditure</b>	COGHSTA	COGHSTA	COGHSTA	COGHSTA	COGHSTA
<b>Net Operational (Service) Expenditure</b>	COGHSTA	COGHSTA	COGHSTA	COGHSTA	COGHSTA

**Table 28** Capital Expenditure 2013/14: Housing Services

Capital Expenditure 2011/12: Housing Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>PROJECT A</b> PHP	357	N/A	7	350	

### 3.3. DELIVERY OF FREE BASIC SERVICES

Council adopted a Tariff and Free Basic Services Policy for the 2013/14 financial year clearly outlining its relief in the form of free basic services as well as a Policy of a Subsidy Scheme for Indigent Households which in conjunction forms the rules for delivering free basic services. An extract from the Tariff policy reads as follows-

“Free basic municipal services refer to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.

In terms of the South African Constitution all consumers should have access to basic services. Currently, the free basic services provided to the domestic consumers within the Makhado Local Municipality are as follows:

- *Free minimum water (6 kiloliters per month) for all household consumers whereof the extent is annually determined during the adoption of the operational budget;*
- *Free distribution of electricity (30 units per month) for all household consumers whereof the extent is annually determined during the adoption of the operational budget; and*
- *Full subsidy for Sanitation and Refuse Removal Services to all indigent households that qualify in terms of the Council’s current indigent policy.”*

**Table 29: Free Basic Service Targets**

Free Basic Service Policy Objectives: To provide sustainable, reliable, safe and affordable water services.										
Service Indicators: Number of Low income households receive all the free basic services										
Financial Year	2010/11		2011/12		2012/13		2013/14			
Service Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action	
<b>Service Objectives:</b>										
<i>Provision of alternative support to low income households that do not receive all Free Basic Services</i>	Total number of Low income households (LIHs) who do not receive all the free basic services but <u>do</u> receive alternative support (Total number of LIHs not in receipt of free basic services								None	
	Water	50,075		38,204		60,375		38204	38204	None
	Sanitation	4,992		8,251		90,430		8251	8251	None
	Electricity	3,000		34,693		6,822		34693	34693	None
	Refuse Removal	119,809		119,809		119,809		119809	119809	None
	Housing	21,020		18,286		17,754		17754	17754	None

**Free Basic Water (FBW):** The intention of the municipality's free basic water (FBW) Policy is to ensure that no one is completely denied access to water supply and sanitation as a result of their inability to afford or to pay for these services. The recipients of FBW are all metered and billed households within the municipality.

**Free Basic Sanitation (FBS):** Free Basic Sanitation service is targeted to all poor households receiving an indigent subsidy monthly. For this purpose an indigent register is kept and updated annually. Council also adopted a Policy of a Subsidy Scheme for Indigent Households for the 2013/14 financial year.

**Free Basic Electricity (FBE):** The first 50 Kilowatts units of electricity per month are given to the indigent households free of charge. For this purpose an indigent register of households earning less than R1, 880 per month and /or are unemployed is kept and updated annually. Approximately nineteen thousand three hundred and forty (19 340) indigent households in both Eskom and the Municipal distribution licensed areas are receiving FBE. A further number of one thousand one hundred (1,100) households are using the Solar Energy system in areas where there is no electrical grid and they also receive the FBE subsidy. The Municipality annually concludes a formal Agreement with Eskom in respect of FBE clients located in their distribution area who are entitled to FEB to arrange for the necessary payments.

### 3.4. OTHER MUNICIPAL SERVICES

#### 3.4.1 Roads and storm water drainage

The internal street networks in the rural areas are predominantly dirt ridden and are therefore generally in a bad state, particularly during the rainy season. Those in Makhado town and the surrounding townships are generally tarred and provided with storm water drainage systems. Most of the roads linking the villages are graveled and lack proper maintenance and cannot be used in very wet conditions. In general, the roads in Makhado Municipal area are in a bad condition and require upgrading especially in summer seasons during heavy rain falls.

Due to roads that have not been maintained and upgraded or well developed this has led to a state where certain properties are not easy to access. The total road and storm water management system backlog is estimated at approximately four thousand four hundred (4,400) km. The Vuwani area has the largest backlog followed by Dzanani area. The Municipality has a program according to which upgrading some of the roads from gravel to tar are under way over a term of years.

The assessment was done during 2007/8 financial year. National Treasury through National Department of Transport has allocated funds to Vhembe District through Rural Road Infrastructure Grant to develop Rural Roads Asset Management System. The project is aimed at assessing old roads within the municipality area and this project was supposed to be finalized before the end of 2013/14 financial year and the report is not yet gazetted.

**Table 30** Gravel Road Infrastructure

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Kilometers
				Gravel roads graded /maintained
2010/11	4400km	0	8km	
2011/12	4392	0	21.8KM	6014KIM
2012/13	4370	0	12KM	6014km
2013/2014	4347	0	23km	3445km

**Table 31** Asphalted Road Infrastructure

Asphalted Road Infrastructure					
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Kilometers
					Asphalt roads maintained
2011/12	26.3km	21.8KM	4.5KM	21.8KM	6014KM
2012/13	15km	12km	3km	12km	6014km
2013/2014	23km	17.9km	5.1km	17.9km	3445km

**Table 32** Cost of Construction/Maintenance:

Cost of Construction/Maintenance:		
		R' 000
	Gravel	Asphalt

	New	Gravel - Asphalt	Maintained	New	Re-worked	Maintained
2010/11						
2011/12		170M	36.8M		4.0M	
2012/13						
2013/14		0	0	55m	12.4m	

During the year under review the municipality experienced challenges with the engagement of the graders. They were often out of operation the purchase 3 graders during the 2013/14 financial year was done.

**Table 33** Employees: Road Services

Employees: Road Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	3	2	1	30.5
4 – 6	2	1	1	0	0
7 – 9	6	5	1	4	90
10 – 12	40	13	12	3	9
13 – 15	130	27	26	1	1
16 – 18	0				
19 – 20	0				
Total	180	49	42	8	15.5

**Table 34** Capital Expenditure 2013/14: Road Services

Project Name	Budget	Budget Adjustment	Actual Spending	Variance	Value of the Project
Eltivillas Extension 1 tarring of streets	5,335,482.39	5 335 482.39	8 735 235.91	-3 399 753.52	8 735 235.91
Tshikota upgrading of streets	1,793,486.90	2 159 367.34	3 090 427.44	-931 060.10	3 090 427.44
Waterval streets rehabilitation	8,206,221.15	5 161 533.15	5 240 637.39	-79 104.24	5 240 637.39
Rehabilitation of Street, Eltivillas Business area	4,450,665.24	8 357 679.20	8 346 495.75	11 183.45	8 346 495.75
Mphaila access road and bridge	7,915,901.13	7 915 901.13	6 768 899.31	1 147 001.82	6 768 899.31
Piesanghoek to Khunda access road	11,500,000.00	11 500 000.00	11 987 262.20	-487 262.20	11 987 262.20
Sereni Themba to Mashamba post office access road and bridges	7,000,000.00	7 233 544.78	7 844 931.20	-611 386.42	7 844 931.20
Tshivhulana to Tshilaphala access road	6,500,000.00	6 500 000.00	12 022 462.39	-5 522 462.39	12 022 462.39
Refurbishment of Eltivillas CBD streets (Rehabilitation of Eltivillas CBD and Town Streets -(Phase 2A)	6,618,091.61	5 025 284.12	4 360 391.59	664 892.53	4 360 391.59
Resealing of streets in Makhado Town (Refurbishment of Eltivillas CBD streets (Rehabilitation of Eltivillas CBD and	6,491,500.00	6 491 500.00	0.00	6 491 500.00	0.00



Project Name	Budget	Budget Adjustment	Actual Spending	Variance	Value of the Project
Town Streets -(Phase 2B)					
Kingfisher N1 intersection	5,000,000.00	5 000 000.00	0.00	5 000 000.00	0.00
Tshakuma Landscaping	N/A	1 831 056.70	1 992 753.80	-161 697.10	1 992 753.80
Planning(MIG PROJECTS)	3,000,000-00	800 000.00	0.00	800 000.00	0.00

Note: should be taken that the budget provided is meant for 2013/14 and this will not complete the projects and provision is made for 2013/14 to complete this projects that are under implementation.

**Table 35** Developments of Municipal Roads

<i>Development of municipal roads as required</i>	xxx kms of municipal roads developed
2009/10	8km
2010/11	21.8km
2011/12	12km
2012/13	23km
2013/14	25.2km

**Table 36** Roads Service Targets

Storm water Policy Objectives: To provide safe and sustainable roads and storm water services				
Service Indicators	Number of KMs of road rehabilitated and upgraded			
Service Targets	2012/13	2013/14		
<b>Service Objectives:</b>				
<i>Provide safe, sustainable roads and storm water services.</i>	Phasing in of systems	Completion (Yes) the policy is adopted by council		

The impact of the storm water has not been assessed during the year under review and this is the reason why the backlog cannot be determined. Currently storm water management structures are provided during roads construction. This is attributed to municipality financial status.

**Table 37** Employees: Storm Water Services

Employees: Storm Water Services				
Job Level	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	3	2	1	30.5
4 – 6	1	1	0	0
7 – 9	5	1	4	90
10 – 12	13	12	3	9
13 – 15	27	26	1	1
16 – 18				
19 – 20				
Total	49	42	8	15.5

### 3.4.2 Transport: Vehicle Licensing & Traffic Services

Municipality is an agent of Department Transport for the issuing of vehicle licenses which also includes testing of vehicles as part of vehicle licensing procedure. For this task the Municipality retains 20% of income generated from this source which does not cover its operational costs to perform the function.

**Table 38** Transport: Vehicle Licensing & Traffic Services

	2012/2013			2013/2014		
	Actual Budget	Original Budget	Adjustment	Actual Budget	Original Budget	Adjustment
Department of Transport 80%	R13' 076, 792.16			R14' 077, 782.13		
Municipality 20%	R3'218,739.84			R4'222,711.80		

### 3.4.3 COMMUNITY & SOCIAL SERVICES

The recording under this paragraph includes information about municipal public, community halls, cemeteries and crematoria, child care, aged care and social programmes.

#### 3.4.3.1 Municipal Public Libraries

The municipality is coordinating library services on one fully fledged public library and 15 satellite libraries. The municipality also participate in Redathon, Library week and World book day. The main challenges are as follows;

- Lack of reading space
- Delay in the provision of updated materials and furniture

#### 3.4.3.2 Municipal Cemeteries

Municipality operates six (6) municipal cemeteries in terms of its Cemetery By-laws. The municipality fenced Waterval Cemetery with own income. The issue of land dispute for cemetery development at Waterval was a challenge.

#### 3.4.3.3 Municipal crematoria and heritage

There is one crematorium which is mostly used by the Moslem religion. The municipality provide basic maintenance. The Municipality also performs some **agency functions** at heritage sites such as Dzata Museum.

#### 3.4.3.5 Community Halls

Municipality has a number of ten (10) community halls which are managed and controlled for use by members of public. It is not sufficient to meet the demand requirements and future development of further community halls has been identified for future budgeting processes.

**Table 39 Employees: Child Care; Aged Care; Social Programmes**

Employees: Child Care; Aged Care; Social Programmes						
Job Level	2012/2013			2013/2014		
	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	%			
0 - 3	0	2	100	0	2	100
4 - 6	0	0	0	0	0	0
7 - 9	4	1	20	4	1	20
10 - 12	0	0	0	0	0	0
13 - 15	0	0	0	0	0	0
16 - 18	0	0	0	0	0	0
19 - 20	0	0	0	0	0	0
Total	4	3	42.8	4	3	42.8

**Table 40** Financial Performance 2013/14: Cemeteries and Crematoriums

Financial Performance 2011/12: Cemeteries and Crematoriums					
Details	2012/2013	2013/2014			
	Actual	Original Budget	Adjustment Budget	R0,00	
				Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	5				6
Expenditure:					
Employees	95 357				
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>	95 357				
<b>Net Operational (Service) Expenditure</b>					

### 3.4.5 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special programmes are located in the Office of the Mayor and they include programs to promote the interest of youth, women, the aged, HIV/AIDS campaigns, Arts and Culture activities, Sports and Recreation activities, Moral Regeneration activities, Children, Traditional Affairs and Batho Pele. Council has established structures for each category which is governed in terms of national, provincial and local legislation and by laws respectively.

Funds are annually allocated by Council to finance programmes for implementation of activities as outlined in the SDBIP approved by Council on an annual basis. The structures are functional and various capacity building programmes have gone a long way in providing required skills and knowledge for members. Increased budget allocation can maximise impact of special programmes.

**Table 41** Child Care; Aged Care; Social Programmes

Child Care; Aged Care; Social Programmes objectives: To coordinate support , and provide youth, women, elderly, disabilities, children, aged, men and HIV/AIDS										
Service Indicators: Number of special programmes meeting coordinated and supported.										
Financial Year	2010/11		2011/12		2012/13		2013/2014			
Service Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action	
<b>Service Objectives:</b>										
<i>Women's Forum</i>	1	1	4	4	4	3	4	3	To be addressed in the new financial year	
<i>Senior Citizen Forum</i>	1	2	4	4	4	3	4	3	To be addressed in the new financial year	
<i>Youth Programme</i>	1	1	4	4	4	3	4	3	To be addressed in the new financial year	
<i>Moral Re generation</i>	1		0	0	0	0	4	3	To be addressed in the new financial year	

**Table 42** Employees: Child Care; Aged Care; Social Programmes

Employees: Child Care; Aged Care; Social Programmes						
Job Level	2012/13		2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	2	2	0	2	100	
4 - 6	0	0	0	0	0	
7 - 9	4	5	4	1	20	
10 - 12	0	0	0	0	0	
13 - 15	0	0	0	0	0	
16 - 18	0	0	0	0	0	
19 - 20	0	0	0	0	0	
Total	6	7	4	3	42.8	

### 3.5. MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

The municipality's actual spending is highlighted under "Actual Expenditure", whereas the difference in actual spending and final approved budget is highlighted under "Variance Adjustment Budget". Makhado municipality has spent 100% of MIG.

**Table 43** Municipal Infrastructure Grant Expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2013/14 on Service backlogs						
Details	Budget Approved	Adjustment Budget Approved	Actual Expenditure	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
				R' 000		
<b>Infrastructure - Road transport</b>						
<i>Roads, Pavements &amp; Bridges</i>	91 318 075.62	0	91 318 075.62			
<i>Storm water</i>	0	0				
<b>Total</b>						

### 3.6. ORGANISATIONAL SDBIP PERFORMANCE

Further full information about the performance of each municipal department in regard to its specific functional areas, are recorded in performance scorecard format and can be viewed in detail in ANNEXURE A herein below as follows:

- 3.6.1. Municipal Transformation and Organizational Development (Annexure A 1)
- 3.6.2. Basic Service Delivery and Infrastructure Development (Annexure A 2)
- 3.6.3. Local Economic Development (Annexure A 3)
- 3.6.4. Municipal Financial Viability and Management (Annexure A 4)
- 3.6.5. Good Governance and Public Participation (Annexure A 5)
- 3.6.6. SDBIP 2013/2014 Roller Plan (Annexure A6)
- 3.6.7. SDBIP 2013/2014 Cancelled Projects (Annexure A7)
- 3.6.8. Service Provider Performance (Annexure A8)

### 3.7. PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

#### 3.7.1. INTRODUCTION TO PLANNING AND DEVELOPMENT

This section provides brief overview of the opportunities and challenges in the fields of economic development and physical planning field for the municipality. This set out in brief the main elements of the planning strategies (and make particular reference to achievements and challenges in 2012/13); Town Planning; and building regulation and enforcement). It set out service delivery priorities and the impact it had. It further set out measures taken to improve performance and the major efficiencies achieved during the year.

**Table 44** Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Planning application received	01	01	29	51	0	0
Determination made in year of receipt	01	01	15	17	0	0
Determination made in following year	01	01	03	03	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	01	01	11	0	0	0

**Table 45** Spatial planning Targets

Spatial planning: Objectives To ensure effective efficient spatial planning								
Service Indicators		2012/13			2013/14			
Service Targets		Target	Actual	Target	Actual	Remedial Action		
Service objectives:								
<i>Determine planning application within a reasonable timescale</i>	Approval or rejection of all build environment application	Determination within x weeks	Determination within x weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within 12 weeks	

Spatial planning: Objectives To ensure effective efficient spatial planning									
Service Indicators					2012/13		2013/14		
Service Targets					Target	Actual	Target	Actual	Remedial Action
	s within a x weeks								
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned		
Formalization of sites				1	1		1	0	The project has commenced during the third quarter of 2013/2014 financial year and the service provider has submitted a draft layout.
Demarcation of sites				2	2		4	0	None
Building plan approved				337	350		350	272	None
PTO application assessed				60	65		80	205	None
EIA report				1	1		1	1	Completed

**Table 46** Employees: Planning Services

Employees: Planning Services					
Job Level	2012/2013		2013/2014		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	02	0	0	0	
4 - 6	10	0	0	10	
7 - 9	07	0	0	07	
10 - 12	0	0	0	0	
13 - 15	03	0	0	03	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	22	0	0	22	

### 3.7.2. Local Economic Development

The LED Unit does not have the economic activity and performance data per economic sector for purposes of analyzing the sectors as there is no budget allocated for those sectors in the municipal budget. The projects were supported by the Municipality from own income.

**Table 47 Sector of the Economy in Makhado**

Sector	2011/12	2012/13	2013/14
	No.	No.	No.
Agriculture, forestry and fishing	5%	5%	5%
Mining and quarrying	1%	1%	1%
Manufacturing	5%	5%	5%
Wholesale and retail trade	19%	19%	19%
Finance, property, etc.	5%	5%	5%
Government, community and social services	27%	27%	27%
Infrastructure services	5%	5%	5%

**3.1.3. Comment on local job opportunities:**

Employment in the Municipality across the economic sector classification mirrors that of the province and the district. The main labour-absorbing sectors are the agriculture sector; community services sector; and the trade sector. Community service and trade sectors are the predominant employers within the study area, responsible for just over 27% and 19% of the active work force respectively. Agriculture is the third largest employer absorbing around 17% followed by the construction sector (8%), finance (5%), transport (5%), manufacturing (5%), and mining (1%).

Job gains were mostly in the community services sector (1493) and trade (646) in 2011. Even though the agricultural sector is the third largest in terms of labour absorption, it has been shedding jobs since 2001 and a total of 2396 jobs were lost between 2001 and 2011. During the same period 21,262 jobs were lost in the same sector in the Province. The decline in jobs in this sector could be attributed to the trend of shifting away from employment of regular, permanent workers, and a simultaneous (though not commensurate) increase in the use of casual workers, meaning jobs of less security and consistency. (Extracted from the Reviewed LED Strategy: 2013)

The SMME sector lacks institutional arrangements and structure. The Municipality must play an active role in supporting Informal traders and the SMME sector.

**Table 48 Jobs Created during 2013/14 by LED Initiatives (Excluding EPWP projects)**

Jobs Created during 2013/14 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Luhufhe (Sala O Nabe )Poultry Cooperative	8	4	8	All completed membership forms as members of the Cooperatives and Job Cards
Nombhela Cooperative	15	2	15	All completed membership forms as members of the Cooperatives and Job Cards
Emkhatini Piggery Cooperative	6	4	6	All completed membership forms as members of the

Jobs Created during 2013/14 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
				Cooperatives and Job Cards
Community Works Program supported by COGTA implemented in 8 wards in Makhado Municipality	1345	13	1345	Completed contracts
Job creation through EPWP* projects				
Year	EPWP Projects	Jobs created through EPWP projects		
	No.	No.		
2012/13				
2013/14				

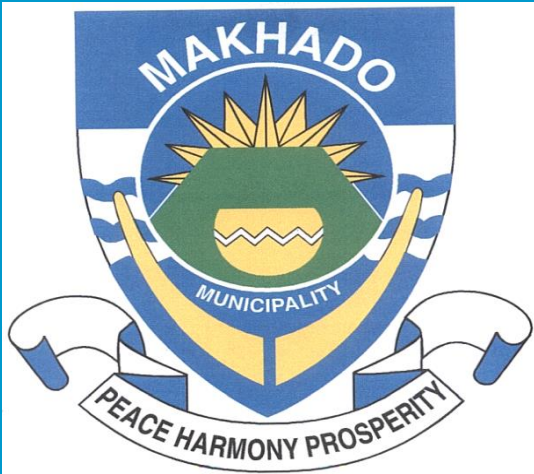
**Table 49** Local Economic Development Policy Objectives Taken From IDP

Local Economic Development Policy Objectives Taken From IDP				
Service Objectives: Creation long term sustainable and integrated economic growth and rural development				
Service Indicators	Number of jobs created through LED			
Service Targets		2012/13	2013/14	Following Year
<b>Service Objective:</b>				
<i>e.g. Training of people in essential skills: x, y, z</i>	Number of people trained	x people trained	x people to be trained	
Projects assessed	6	900	3	Through a partnership with Nedbank, 300 SMME/Informal traders from Waterval Region were trained on Basic and Advanced Financial Management Skills. 900 more will be trained in the 3 remaining Regions of Dzanani, Vuwani and Kutama Sinthumule.
Projects supported		5	3	
Museums supported		1	0	
Accommodation establishment visited		17	10	
SMMEs cooperatives identified supported	300	120	240	

**Table 50** Employees: Local Economic Development Services

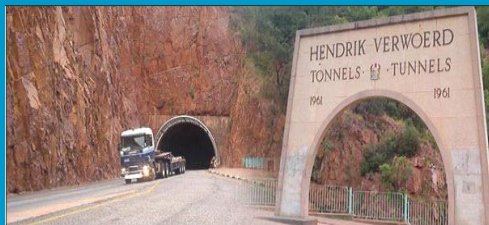
Employees: Local Economic Development Services				
Job Level	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	0	0	0
4 - 6	2	0	0	0
7 - 9	2	0	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	5	5	0	0



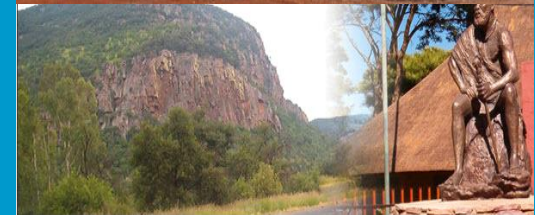


# CHAPTER 4

## THE MUNICIPAL PERSONNEL



## ANNUAL REPORT 2013/2014



## CHAPTER 4: MUNICIPAL PERSONNEL

### COMPONENT A: MUNICIPAL WORKFORCE

#### 4.1. EMPLOYEES PER DEPARTMENT

As at 30 June 2014, the Makhado Municipality had a total workforce of seven hundred and sixty nine (739) arranged into six (6) respective municipal departments performing the different functions of disciplines attached to each department as broadly outlined herein below. Employees are also stationed in three respective regions, i.e. Dzanani region, Vuwani Region and Waterval Region where three fully fledged regional offices operate under direct management of Regional Administrators on post level 3 of the staff establishment, while satellite offices exist in Vleifontein and Tshitale under Waterval Region.

The Municipality comprises of seven hundred and sixty nine (769) employees at 30 June 2014.

**Table 51 Number of employees per departments**

Name of Department	Number of Employees
Office of the Mayor	5
Office of the Speaker	5
Department Municipal Manager	5
Department of Budget and Treasury	72
Department of Development Planning	31
Department of Community Services	178
Department of Technical Services	195
Department of Corporate and Shared Support Services	37
Dzanani Regional Office	63
Vuwani Regional Office	73
Waterval Regional Office	62
Vleifontein Satellite Office	25
Tshitale Satellite Office	18
TOTAL NUMBER OF EXISTING STAFF	769

The bulk of employees are attached to the Technical Services Department. This is simply because the department is service delivery centered and is heavily staffed to ensure that services are smoothly delivered to the communities. The employees enjoy benefits such as pension, medical aid, UIF, annual leave etcetera.

There are two recognized workers' unions at Makhado Municipality, i.e. IMATU and SAMWU. The continuous engagement with organized labour is done at the level of the Local Labour Forum to ensure that there is labour stability and consult employees on matters of common interest. The 2013/2014 financial year never experienced any industrial actions by labour. The Municipality is managed through an interdependent system of management structures. The administrative top management is comprised of one (1) section 54A and 5 (five) Section 56 managers while the broader administrative management is comprised of both the Section 54A and section 57 employees plus managers on post level 1 of the staff establishment and the assistant managers and regional administrators on post level 3 of the staff establishment.

**Table 52** Employees Comparison

<b>Employees</b>					
<b>Description</b>	<b>2014</b>	<b>2013/14</b>			
	<b>Employees</b>	<b>Approved Posts</b>	<b>Employees</b>	<b>Variance</b>	<b>Variance</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
Water	Nil				
Waste Water (Sanitation)	49	60	49	11	64.8
Electricity	64	79	64	15	26
Waste Management	60	63	60	3	7.8
Housing	Nil				
Waste Water (Storm water Drainage)	Nil				
Roads	59	67	59	8	44
Transport	Nil				
Planning	20	43	20	23	53.1
Local Economic Development	4	6	4	2	
Planning (Strategic &Regulatory)	n/a	n/a	n/a	n/a	n/a
Local Economic Development	5	6	5	1	50
Community & Social Services	86	88	86	2	25
Environmental Protection	Nil				
Health	1	Nil	1	-1	33
Security and Safety	n/a		n/a	n/a	n/a
Sport and Recreation	n/a		n/a	n/a	n/a
Corporate Policy Offices and Other	421	549	421	128	90.1
Totals	769	961	769	192	<b>59.1</b>

**Table 53 Vacant posts**

<b>Vacancy Rate 2013/14</b>			
<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Variances (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Director Technical Services	1	0	0
Director Corporate Services	1	0	0
Other S56 Managers (excluding Finance Posts)	0	0	0
Other S56 Managers (Finance posts)	0	0	0
Municipal Police (Traffic Officers)	0	0	0
Fire fighters	0	0	0
Senior management: Levels 0-3 (excluding Finance Posts)	0	0	0
Senior management: Levels 13-15 (Finance posts)	0	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	0	0	0
Highly skilled supervision: levels 9-12 (Finance posts)	0	0	0

## 4.2. Employee turnover

A number of two hundred and eighty three (283) vacant posts which were budgeted for existed on the approved organizational structure by June 2014 financial year. In the year under review the municipality filled 33 positions.

As far as staff turnover is concerned it is paramount to highlight that the majority of employees are not young anymore. The turnover that was experienced was mainly due to retirement and death of employees. The municipality also experienced sporadic resignations due to employees who have found greener pastures elsewhere

**Table 54** Turn-over Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2013/14	813	44	0

## 4.3. Organizational Structure

The full functionary lines can more fully be viewed in the organogram attached in the Appendices at the end of this report as Annexure B

The following six departments were in existence during the year 2013/2014:

### 4.3.1. DEPARTMENT COMMUNITY SERVICES

- Department Community Services consist of the following divisions -
- Protection Services (Traffic and Licensing)
- Disaster Management Services
- Environmental Health Services (although this service is busy being transferred to the Vhembe District, the staff and function is still with MLM)
- Public Library Services

#### **PROTECTION SERVICES (TRAFFIC)**

- Traffic Control
- Law Enforcement
- Hawker Control
- Road Markings and Traffic Signs
- Security
- VIP Escorts
- Accident response
- Bus and Tax Operator Forum

#### **PROTECTION SERVICES (LICENSING)**

- Motor vehicle licensing
- Drivers' license testing and issuing
- Roadworthy testing center
- Business licenses
- Public driving permits

- Certificate of fitness for vehicles
- Road transportation plan
- Bus and Taxi routes

#### **4.3.2. DEPARTMENT CORPORATE SERVICES**

The Department Corporate Services consists of the following divisions:

##### **DIVISION: HUMAN RESOURCES MANAGEMENT**

###### Section: Personnel Administration & Performance Management System

- Personnel Administration
- Human Resource Management and Administration
- Recruitment and Placement of employees

###### Section: Organizational Development & Skills Development

- Employment Equity Plan
- Skills gaps analyses and skills development programs
- Organizational Development

###### Section: Labour Relations

- Labour Related Policies
- Local Labour Forum
- Dispute Resolution

###### Section: Employee Assistance Programme

- Employee wellness
- Counselling and referrals
- Making workplace interesting through various activities
- Support to individual employees
- Arranging Memorial Services

##### **DIVISION: ADMINISTRATION AND COUNCIL SUPPORT SERVICES**

###### Section: Administration and Council Support

- Committee Services
- Council Administration
- Ward Committees
- Support services to all municipal departments

###### Section: Auxiliary Services

- Records and Archives
- Caretaker Services
- Cleaning Services

###### Section: Computer Services and Call Center

- Information Technology – hardware, software and user assistance
- System Administration
- Network Administration
- User technical support
- 24/7 Call center services

#### **DIVISION LEGAL SERVICES**

- Legislative Drafting
- Litigation
- Legal Research (Opinion / Advice / Interpretation)
- Contract drafting
- Prosecution and presiding in the Disciplinary Tribunal / Bargaining Council

#### **DIVISION COMMUNICATIONS**

- Communication and Publicity Services

#### **DIVISION FOR OFFICE OF THE SPEAKER**

##### **SOCIAL SUPPORT / FACILITATION SERVICES**

- Support service to the Office of the Speaker and Municipal Councillors
- Ward committee services

#### **DIVISION FOR OFFICE OF THE MAYOR**

##### **SOCIAL SUPPORT / FACILITATION SERVICES**

- Office of the Mayor
- Office of the Speaker (including municipal councillor support activities)
- Gender desk
- Youth desk
- Aged desk
- Disability desk
- Arts and Culture
- Special Programs and Culture Services

#### **4.3.3.4.3.2. DEPARTMENT DEVELOPMENT PLANNING**

The department consists of the following divisions:

##### **INTEGRATED DEVELOPMENT PLANNING**

###### **Section: Integrated Development Planning**

- Review and drafting of the IDP
- Coordinate the IDP review process

##### **LOCAL ECONOMIC DEVELOPMENT DIVISION**

- Investment attraction and business retention and expansion drive

- Conducting open market days
- Creating and enabling environment for SMMEs, Agriculture, Tourism and Cooperatives.
- Updating of the LED Strategy
- Coordination of the annual show
- Provide support to SMMEs and Cooperatives
- Provision of support and coordination of LED projects funded by Provincial and National Departments

### **SPATIAL PLANNING AND LAND USE MANAGEMENT DIVISION**

#### **Section: Building Control**

- Responsible for producing copies of building plans and town maps
- Approval of building plans and departmental drawings
- Outdoor advertisement and sign boards
- Building inspections for building under construction, completed structures, PHP houses, additional building structures and municipal buildings
- Response to enquiries regarding building works and technical advices on buildings
- Issuing of completion certificate and certificate of occupancy

#### **Section: Survey**

- Iron peg identification
- Sites demarcation (Business, residential, cemeteries, etc)
- Enquiries regarding general plans
- Assist clients to identify their sites
- Site inspection
- Spatial Information on the rural villages and the township areas

#### **Section: Geographical Information**

- Updating of maps
- Analysis of zoning on the building plans
- Development of GIS maps
- Plotting of the maps

#### **Section: Town Planning**

- Ensure compliance to Town Planning scheme
- Issuing of zoning certificates
- Attend to land use enquiries
- Issuing consent use applications
- Attend to enquiries regarding home Business enquiries
- Manage layout plans of Louis Trichardt and R293 towns e.g. Vleyfontein, Waterval, Dzanani and Vuwani
- Provide land use Information on the rural villages and the township areas
- Attend to development proposals
- Control township establishment
- Control Subdivision of land
- Control consolidations of farm areas and erven
- Site development plans assessment
- Site inspections

### Section: Housing

- Administration of RDP houses
- Administration of PHP houses
- Research on vulnerable groups
- Identification of SMMEs to assist in building PHPs with the assistance of ward councillors
- Assist contractors, councillors and traditional authorities in developing the housing beneficiary list
- Drafting of contracts for EPWP employees
- Payment of the EPWP employees
- Site inspection on RDP and PHP houses
- Follow up with the DLGH with regard to incomplete RDP houses
- Introduction of developers to councillors
- Connection of toilets to the PHP houses
- Inform the DLGH on houses affected by disaster e.g. hurricanes
- Facilitate the official handover of the completed RDP houses
- Conduct housing needs analysis
- Conduct meetings related to housing
- Management of contracts PHP projects
- Handling of housing complaints
- Attend to daily correspondences related to housing

### 4.3.4.4.3.3. DEPARTMENT OF BUDGET AND TREASURY

#### **REVENUE DIVISION**

Among others, the Revenue Division is responsible for the following:

- Management of the municipal revenue;
- Collection of municipal revenue in terms of its Credit Control and Debt Collection
- Policy formulated compliant to section 95 of the Local Government: Municipal Systems Act;
- The revenue due to the municipality is calculated on a monthly basis;
- That the municipal taxes and other services are calculated on a monthly basis;
- All monies received should be banked promptly into the municipal bank account;
- Maintenance of the management, accounting and information systems which:
  - recognize revenue when it is earned;
  - accounts for debtors; and
  - accounts for receipts of revenue;
  - the municipality should charge interest on accounts in arrears;
  - reconciliation of revenue received at least once a week;
  - report to the National Treasury of accounts owing by the organ of State for accounts of more than 30 days in arrear;
  - Funds collected by the municipality on behalf of any Organ of State should be Transferred once per week;
  - Funds collected on behalf of another Organ of State should not be used for Municipal purposes;

**The division is composed of the following sections:**

- Customer Care section



- Billing section
- Credit control section
- Debt collection section

## **BUDGET DIVISION**

The Budget Division is responsible for the following:

- compile the municipal budget;
- coordinate implementation of the municipal approved budget;
- control the municipal budgeted spending against the anticipated revenue;
- monitor both revenue and expenditure properly;
- prepare the adjustment budget;
- draft the SDBIP for the financial year;
- draft the annual performance agreement;
- report the budget shortfall and/ or overspending to council;
- reporting to the National Treasury any bank overdraft;
- compilation of financial reports to council on a quarterly basis;
- compilation of reports to both the Provincial and National treasury;

**The division is composed of the following sections:**

- Budget and Financial Statements section
- Data capturing section
- Investment section
- Reconciliation section

## **SUPPLY CHAIN MANAGEMENT DIVISION**

The Supply Chain Management Division is responsible for the following:

- Acquisition of goods and services, including assets for the municipality;
- That the municipal supply chain system is implemented as follows:
  - must be fair;
  - must be equitable;
  - must be transparent;
  - competitive; and
  - cost-effective;
- management of the disposal processes;
- maintenance of the municipal supply data base;
- conduct of the store material stock-tacking annually;
- implementation of the internal controls with regard to the supply chain management systems;

**The division is composed of the following divisions:**

- Acquisition section
- Demand section
- Logistics Management section
- Contract Management section

- Disposal Management section

## **EXPENDITURE DIVISION**

Amongst others, the Expenditure Division is responsible for the following:

- manage municipal expenditure;
- maintain effective and efficient systems of expenditure control;
- Maintenance of the management, accounting and information systems which:
  - recognizes expenditure when its incurred;
  - accounts for municipal creditors;
  - accounts for municipal payments;
- maintenance of a system of internal control regarding creditors and payments;
- payments should be made to the person or institution owed by the municipality unless agreed to the contrary of the requirements of MFMA;
- payments should be made electronically or by means of a non-transferrable cheque;
- municipal payments made within 30 days of receipt of the invoice;
- effecting compliance to tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;
- manage municipal working capital effectively and economically;
- implement the Supply Chain Policy in a transparent, competitive and cost-effective manner;
- close and reconcile the financial accounts of the municipality at the end of the month;

**The division is composed of the following sections:**

- Salaries section
- Creditors section
- Direct Payments section

## **ASSET MANAGEMENT DIVISION**

The Asset management Division of the municipality is responsibility for the following:

- Management of the municipal assets;
- safeguarding and maintenance of the municipal assets and liabilities;
- Maintenance of the management, accounting and information systems which:
  - account for proper assets and liabilities;
  - maintenance of the internal control of the assets and liabilities of the municipality;
- preparation and maintenance of the municipal assets register;
- management of the municipal fleet;

**The division is composed of the following sections:**

- Transport/ Fleet section
- Asset section

### **4.3.5.4.3.4. DEPARTMENT TECHNICAL SERVICES**

#### **Water and sanitation services**

- Coordination of water and Sanitation services on behalf of VDM

#### **Mechanical workshop for maintenance of fleet**

- Repair and Servicing of fleet

#### **Electrical Engineering Division**

- OHS, network and designs
- Network and Design Rural
- Metering protection and control
- Electrification

#### **Roads and storm water**

- Maintenance of Roads and Storm-water
- Side-walk and provision of access roads

#### **Parks and recreation**

- Maintenance of parks,
- swimming pools, cemeteries and crematorium

#### **Waste Management**

- Collection of refuse on domestic and Industrial
- Maintenance and operations of waste management facilities

#### **Building**

- Maintenance of Municipal infrastructures

#### **Project Management Unit**

- Management of project infrastructure

#### **4.3.6.4.3.5. OFFICE OF THE MUNICIPAL MANAGER**

The Internal Audit Unit performs generic duties under direct guidance of the Accounting Officer including risk management as component of governance and sound administration

## **COMPONENT B: MANAGING MUNICIPAL WORKFORCE LEVELS**

### **4.4. REPORTING LEVELS**

#### **4.4.1. Municipal Manager (section 54A manager)**

The Municipal Manager of Makhado Municipality is Mr Mutshinyali I. He was appointed as Municipal Manager 01<sup>st</sup> September 2012. The Municipal Manager reports directly to the Mayor; in terms of the promulgation the municipality operates according to a collective executive committee system with a full-time mayor and all

reporting by Municipal Manager is according to the practice of a collective executive committee system as arranged by the provisions of the Local Government: Municipal Systems Act, 2000 read with the provisions of the Local Government: Municipal Structures, 2000.

#### 4.4.2. Section 56 Managers (Directors)

The Makhado Municipality has 5 Directors as outlined below:

**Table 55 Directors in 2013/2014**

Name of Director/ Municipal Manager	Position and Department	Gender
1. Mr Mutshinyali I.P	Municipal Manager	Male
2. Mrs Sinthumule M D	Director Development Planning	Female
3. Ms Makhubele MP	Chief Financial Officer Budget and Treasury	Female
4. Vacant	Acting Director Corporate and Shared Support Services. He acted immediately after the expiry of the contract of Mrs Ndou T.S in 30 August 2013	Male
5. Vacant	Acting Director Technical Services	Male
6. Mr M J Kanwendo	Director Community Services	Male

The Section 56 Managers (Directors) account directly to the Municipal Manager in terms of applicable legislation.

#### **ORGANIZATIONAL PERFORMANCE MANAGEMENT**

- Alignment between IDP, Budget and the SDBIP
- Monitor organizational performance through SDBIP
- Coordinate annual, midyear, quarterly and monthly reports
- Develop and review performance management framework

#### **INTERNAL AUDITING**

- Manages the Internal Audit functionality,
- Co-ordinating specific processes to support the formulation of the Audit Plan and Program,
- Monitoring compliance and
- Conducting investigations to determine the extent of variation of non-compliance to statutory requirements, policies and procedures,
- Preparing and presenting comments and options and providing guidance on the interpretation of principles to enable re-alignment of functions and responsibilities
- Ensuring the activities of Municipality are conducted and concluded in a credible manner.

#### **RISK MANAGEMENT**

- Co-ordinates the Risk Management functionality,
- Co-ordinating specific processes to support the formulation of the Risk Management Plan and Program,
- Monitoring compliance and conducting investigations to determine the extent of variation of non-compliance to statutory requirements, policies and procedures,
- Preparing and presenting comments and options and providing guidance on the interpretation of principles to enable re-alignment of functions and responsibilities ensuring the activities of Municipality are conducted and concluded in a credible manner.

#### 4.4.3. Managers

The Municipality has Managers on post level 1 of the fixed establishment who are responsible for managing the various line functions per department. The Managers report to the Directors per Department.

#### 4.4.4. Assistant Managers

The Municipality has Assistant Managers on post level 3 of the fixed establishment who are responsible for various sub-line functions within the Departments. The Assistant Managers report directly to the Managers, except in instances where the function is directly linked to the service priorities as per the approved organisational structure, e.g. Assistant Manager: Communication has direct access to Mayor and Municipal Manager due to the critical nature and significance of the function.

#### 4.4.5. Supervisors

The Municipality has Supervisors per line function and they report directly to the Assistant Manager. Supervisors are responsible for the implementation of operational plans of each line function and have teams of staff that report directly to them as per their line function.

#### 4.4.6. Municipal Policies

The Municipality has established a Policy Review/Development Task Committee which is tasked with both reviewing and developing policies as per the requests of Departments. During the period under review the task committee has managed to review and develop some policies as captured in the report hereunder. Much of the work still needs to be done in this regard.

**Table 56 Policies**

Uniform Credit Control Policy Tariff and Free Basic Services Policy Second Draft Property Rates Policy Policy on subsidy scheme for Indigent households Investment of Funds Policy & Principles Asset Management Policy Budget Policy Labour Policy Document Revenue Management Policy Supply Chain Management Policy Budget Virement Policy Property Rates By-Law Policy and Principles on the Writing off of Irrecoverable Debt Property Rates Policy Credit Control and Debt Collection Policy Immovable Property Disposal Draft Policy January 2013 Virement Policy Debt Write-off Policy Internal Audit Charter Fraud Management Policy Framework for Cash-flow Management Policy Funding and Reserves Policy Expenditure Management Policy Borrowing Policy Risk Management Policy Framework Whistle Blowing Policy	Performance Management Policy and Framework Employee practice policy Retention policy Training and Development Policy Human Resources Policy Official Working Hours and Overtime Funeral Policy Occupational Health and Safety HIV/Aids Grievance Procedures Employment Equity Essential Services Disciplinary Code and Procedures Code of Conduct for employees Affirmative Action I C T Equipment Usage Policy, Anti-Virus Policy, Email server Policy, File Exchange Policy, Network Exploit Policy, Other Malware Policy, Policies and Procedures for Administrative Systems (Administration Security Systems), Electronic Mail Acceptable Use Policy, Internet Acceptable Use Policy, ICT Equipment Usage Policy, Loss Control Policy
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### 4.5. Injuries, Sickness and Suspensions

#### 4.5.1. Injuries, Sickness

There are sporadic incidents of injury on duty. When such incidents do occur, the employee is reported to the Occupational Health Safety representatives or to the Employee Assistance Practitioner who would facilitate that the employee be referred to the council Doctor for attention at council's cost. The employees are entitled to eighty days sick leave in a three year leave cycle in terms of the SALGBC Main Collective Agreement.

**Table 57** Injuries, Sickness and Suspensions

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	135	14	54	4	N/A
Temporary total disablement	None	None	None	N/A	N/A
Permanent disablement	None	None	None	N/A	N/A
Fatal	1	Deceased	Deceased	Deceased	1

**Table 58** Number of days and Cost of Sick Leave (excluding injuries on duty)

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	2DAYS	1%	20 OUT OF 100	(16) 1-16	3 DAY	1 =1845.0130
Skilled (Levels 3-5)	15 DAYS	10%	50 OUT OF 100	(57) 3 - 4 - 5 -	10 DAYS	3 =16,301.43 4 =15136.68 5 =13380.92
Highly skilled production (levels 6-8)	15 DAYS	20%	60 OUT OF 100	(142) 6 - 7 - 9 -	15 DAYS	6 =17729.91 7 =15655.91 8 =12222.59-
Highly skilled supervision (levels 9-12)	20 DAYS	2%	80 OUT OF 100	(164) 9 - 10 - 11 - 12 -	50 DAYS	9 =40741.97 10 =33666.87 11 =29009.01 12 =26111.94
Senior management (Levels 13-15)	24 DAYS	3%	90 OUT OF 100	(326) 13 - 14 - 15 -	60 DAYS	13 =27869.52 14 =24838.46 15 =22143.73
MM and S57	NONE	NONE	1 OUT OF 5	4	1 DAYS	9246.86
TOTALS	=76	=36%	=301	=709	=149	=292519.90

#### 4.5.2. Suspension

Unexpected programmes for writing examination and issue of sick leave either by presiding officer or employer representative or the accuser

**Table 59** Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Manager	Failure to disclose for SCM purposes	27 March 2012	Matter taken through Disciplinary processes. Employee found guilty and dismissed. Employee appealed and chair of appeal upheld decision of disciplinary enquiry chair.	Employee filed at Labour Court

**Table 60** Disciplinary Action Taken on Cases of Financial Misconduct

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
Driver	Diesel theft	Disciplinary Hearing	Pending
Assistant Artisan	Cable theft	Disciplinary Hearing	Pending
Traffic Officer	Misuse of Council Vehicle	Disciplinary Hearing	Pending
Operator	Misuse of Council Vehicle	Disciplinary Hearing	Pending
Volunteers	Swearing	Grievance	Pending
Senior Clerk	Non-placement	Grievance	Awaiting MM's remarks

**Table 61** Human Resource Services Policy Objectives Taken From IDP

Human Resource Services Policy Objectives Taken From IDP				
Service Objectives	Outline Service Targets	2012/13		
Service Indicators		Target		
		2012/13	2012/13	*Following Year
(i)	(ii)			
Service Objective				
To cultivate good human resource management and career development practices in order to maximize human potential	Outline Service Targets			Compile career development plan for all post levels Compile succession plan for identified key posts Implement bidding process to procure specialist services to compile 2012-2017 Employment Equity Plan Stabilize labour relations in order to expedite service delivery and fully achieve the desired outcomes by 2014 by continued engagement with organized labour in the Local Labour Forum
(i) Capacitated staff with evidence in productivity and efficiency and effectiveness	(ii) Improved service delivery and performance of staff			Train 25% of identified staff per category in Q1 and 25% every other quarter. Schedule training categories according to gaps in the approved Work Place Skills Plan(WPSP) and Skills Development Plan (SDP)

**Table 62** Employees: Human Resource Services

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES Employees: Human Resource Services				
Job Level	2013/14			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	4	0	0
4 - 6	6	2	4	66.6
7 - 9	8	6	2	25
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	18	12	6	33

## COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

### 4.6. CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.6.1. INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality develops its human resources by ensuring that there is sustainable capacity building. This is done in the first place by conducting by identifying skills gaps through a skills audit. In doing so, skills audit forms are handed out to employees for them to complete. In completing the forms, the employees indicate their training needs. These are the skills which, if acquired by the employees, the employees will be able to effectively and efficiently perform their functions.

After the employees shall have returned their completed skills audit forms, then collate the information with the purpose of coming out a clear training and skills development plan.

The plan is referred to as the Workplace Skills Plan. It is this plan which if approved by the relevant council committees it is then submitted to the LGSETA as a guiding document in terms of which training will be done for the particular financial year.

The challenge is that in undergoing the above outlined process and thus negatively impacting on the capacity development, is the non or late-returning of the skills audit forms, the, employees requiring training outside their areas of work and competency.

The training plans are relatively adequate. Employees across all levels have been through the various capacity building programs. In the year under review, due to insufficient budget, the municipality has had to augment the training budget during the council adjustment budget process. The adjusted budget was fully exhausted by the end of the financial year. It thus manages the technological communication hardware and software, including also continuous telephone communication on a 24/7 basis. This section exists to craft the development of ICT infrastructure facilities and services by researching new technologies on the market to enhance the daily operations of ICT in the municipality and it is not limited to the implementation thereof. It is by enlarge a support function of the institution which it renders also by means of contracts with external expertise service providers.



The 2013/2014 WPSP and the training reports which were submitted to the LGSETA can reflect more details on the above description. The total training costs for employees during 2013/2014 was R1, 860 766. The total training costs for Councillors was R150 602. The numbers of employees trained were 203.

#### 4.7. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes information about all technology tools used by municipality in its operations and credible data and systems management of all data over the whole spectrum of local government functions and powers.

##### 4.7.1. INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### INFORMATION AND COMMUNICATION TECHNOLOGY SECTION

**Table 63** Employees: ICT Services

Employees: ICT Services				
Job Level	2012/13			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	02	02	0	0
4 – 6	1	1	0	0
7 – 9	1	1	0	0
10 – 12	2	2	0	0
13 – 15	0	0	0	0
16 – 18	0	0	0	0
19 – 20	0	0	0	0
Total	6	6	0	0

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

**Remark:** The Assistant Manager ICT on post level 3 resigned effective and last working day 31 January 2013 and the vacancy was not filled. The section remained with two (2) ICT Technicians on post level 7 until one (1) ICT Technician resigned effective and last working day 28 February 2014. The vacancy was not filled during the 2013/14 financial year.

The section then functioned for 8 months of the 2013/14 financial year with the service of two (2) ICT Technicians on post level 7 and for the last 4 months of the 2013/14 financial year with one (1) ICT Technician on post level 7 who had to take care of all duties at ICT Section. The three vacant posts were not filled as the institution was embarking on a downsizing of its organogram in order to achieve a more realistic organogram overall. (Some amends would be considered in the 2014/15 financial year for the ICT Section.)

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

The major projects of the ICT Section in 2013/14 financial year were on both operational and capital level. The municipal call center was relocated from Eltivillas premises to the Civic Center for an enhanced management and control of the function. The telephone lines were also upgraded to be of digital nature in order to improve answering services to complainants. It also included relocating the two way radio communication base station to the Civic Center where three channels are available for two way radio communication to monitor attendance to

complaints of consumers. The long overdue server software licenses were upgraded to comply with Microsoft end of licence window of March 2014. This was a costly project. The next stage is to upgrade end users for compliance and this will be performed in 2014/15. This was a costly project. A number of desk tops, lap tops and printers were procured to issue officials with tools for their tasks. This is done according to internal policies and procedures to ensure cost effective operations and proper recording and control of equipment.

The UPS in the computer server room which is vital strategic equipment became defective and had to be repaired on emergency basis. It required major expenditure to have it operational in order to have all our computer servers up and running again.

## COMPONENT D: WORKFORCE EXPENDITURE

During the year 2013/2014, the salary bill of the Municipality was R189 082 780. The workforce expenditure per category is as follows:

**Table 64 Total Salaries**

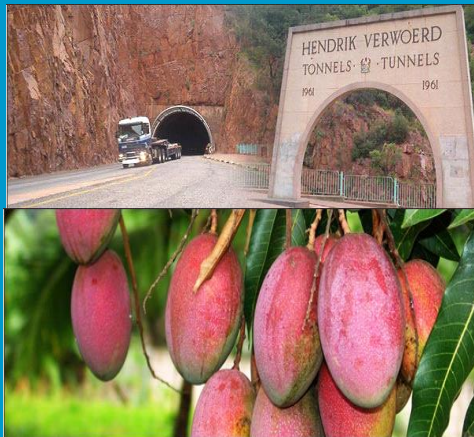
Category	Total Salaries paid for 2012/2013	Total Salaries paid for 2013/2014
Employees	199 382 528.00	201 865 584.00
Councillors	18 470 236.00	20 781 673.00

The Municipality uses the VIP Payroll Systems. Employees, including Councillors, receive their printed payslips on a monthly basis. The pay day for the Municipality is the 25<sup>th</sup> of each month.

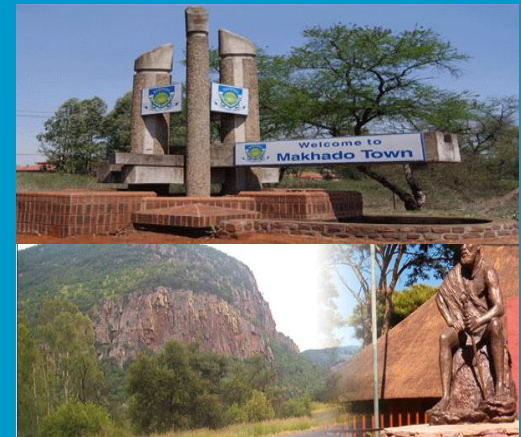


# CHAPTER 5

## STATEMENTS OF FINANCIAL PERFORMANCE



## ANNUAL REPORT 2013/2014



## CHAPTER 5: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

#### 5. FINANCIAL PERFORMANCE

##### 5.1 INTRODUCTION

This chapter will record information in the following categories, as required by the guidelines:

- ✓ Planning and budgeting
- ✓ Asset and Liability Management
- ✓ Revenue and Expenditure Management
- ✓ Supply Chain Management
- ✓ Other financial management
- ✓ Accounting and reporting
- ✓ Oversight and operational continuity

The following represent the financial summary of the municipality as audited:

**Table 65: Financial summary of the municipality as audited**

Financial Summary						
R' 000						
Description	2012/2013	Current Year 2013/2014			2013/2014 Variance to actual	
	Actual (000,000)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	28 091	37 761	33 249	28 509	32%	-17%
Service charges	216 006	248 921	253 436	228 908	-9%	-11%
Investment revenue	1 339	593	1 633	2 044	71%	20%
Transfers recognised - operational	241 136	260 300	261 139	262 490	1%	1%
Other own revenue	42 120	43 273	46 070	37 545	-15%	-23%
Total Revenue (excluding Capital transfers & contributions)	528 693	590 849	595 527	559 496	-6%	-6%
Employee costs	196 668	233 567	213 417	196 557	-19%	-9%
Remuneration of councillors	18 470	19 359	19 359	20 781	7%	7%
Depreciation & asset impairment	112 486	137 650	137 150	137 150	0%	0%
Finance charges	5 240	247	5 517	4 394	94%	-26%
Materials and bulk purchases	156 721	174 908	174 188	176 326	1%	1%
Transfers and grants	-	-	-			
Other expenditure	140 958	156 339	207 867	98 981	-58%	-110%
Total Expenditure	630 543	722 069	757 497	634 189	-14%	-19%
Surplus/(Deficit)	(101 851)	(131 220)	(161 969)	(74 693)	-76%	-117%
Transfers recognised - capital	69 397	101 700	152 034	110 875	8%	-37%
Contributions recognised - capital & contributed assets	0	-	-	0		
Surplus/(Deficit) after capital transfers & contributions	(32 453)	(29 520)	(9 935)	36 182	182%	127%
Share of surplus/ (deficit) of associate	0					
Surplus/(Deficit) for the year	(32 453)	(29 520)	(9 935)	36 182	182%	127%
Capital expenditure & funds sources						

Financial Summary						
R' 000						
Description	2012/2013	Current Year 2013/2014			2013/2014 Variance to actual	
	Actual (000,000)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Capital expenditure</b>						
Transfers recognised - capital	0	102 020	153 509	110 875	8%	-38%
Public contributions and donations		–	–			
Borrowing	0	–	–			
Internally generated funds	0	41 238	26 785	21 774	-89%	-23%
Total sources of capital funds	0	143 258	180 294	132 649	-8%	-36%
<b>Financial position</b>						
Total current assets	408 535	262 000	262 000	454 832	42%	42%
Total non current assets	1 824 912	1 813 027	1 898 778	1 937 008	6%	2%
Total current liabilities	186 469	22 200	22 200	18 225	-22%	-22%
Total non current liabilities	43 629	59 800	59 800	39 427	-52%	-52%
Community wealth/Equity	2 036	1 756 978	1 773 278	2 170 158	19%	18%
<b>Cash flows</b>						
Net cash from (used) operating	108 258	60 258	165 963	173 721	65%	4%
Net cash from (used) investing	(0)	(136 393)	(140 963)	(77 155)	-77%	-83%
Net cash from (used) financing	(5 782)	(4 468)	–	(5 394)	17%	100%
Cash/cash equivalents at year end	102 476	(80 603)	25 000	91 172	188%	73%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	-2 456	13 000	14 500	52 139	75%	72%
Application of cash and investments		95 671	85 093			
Balance - surplus (shortfall)	-2 456	108 671	99 593	52 139	-108%	-91%
<b>Asset management</b>						
Asset register summary (WDV)	0	52 028	52 028	0		
Depreciation and asset impairment	112 486	137 650	137 150	137 150	0%	0%
Renewal of Existing Assets		–	–			
Repairs and Maintenance	19 993	–	19 282	18 573	100%	0%
<b>Free services</b>						
Cost of Free Basic Services provided		9 831	9 831	10 496	100%	0%
Revenue cost of free services provided		–	–			
<b>No. of Households below minimum service level</b>						
Water		39	39	41	0%	0%
Sanitation/sewerage		37	37	39	100%	0%
Energy		–	–	0		
Refuse		127	127	127	100%	0%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

## 5.2 POLICIES ARRANGING THE OPERATIONS OF ABOVE SUBJECTS

Over and above the direct requirements of different sections of the Local Government: Municipal Finance Management Act, 2003 and its Regulations, Council also adopted the following budget related policies in respect of the 2012/13 Financial Year and the contents of such policies arranged the operations in respect of the subjects related to each policy. The following are the policies:

- *Budget policy*
- *Indigent Subsidy*
- *Credit Control and Debt Collection*
- *Tariff and Free Basic Services*
- *Investment of Funds Policy*

- *Principles of writing-off of irrecoverable debt*
- *Asset Management*
- *Property Rates by-law*
- *Budget Virement*
- *Supply Chain Management”*

### 5.3 ASSET MANAGEMENT

#### INTRODUCTION TO ASSET MANAGEMENT

The key elements of Asset Management: To ensure that the assets of the municipality are managed according to the asset management policy and the regulations.

- To ensure the effective and efficient control, safeguarding, utilisation and management of the municipalities assets.
- To ensure that the asset of the municipality are not misused and are safeguarded against inappropriate loss.
- To ensure that proper management of PPE forms part of the financial management procedures of the municipality.
- And also to ensure that the asset serve the purpose of assisting the municipality to fulfil its constitutional mandates of service delivery, social economic and development and fulfilling the basic needs to the community.

The staff involved and key delegation: The asset management unit consist of Immovable asset, Movable assets and fleet management section. According to the organisational structure of the municipality the staff supposed to be eleven (11) but in the moment the staff is only having seven employees.

Key issues under development: The municipality hired the service provider to assist in compiling and maintaining the asset register that is GRAP compliant. The service provider did the unbundling of infrastructure assets and compiled the asset register for the municipality although the relationship between the municipality and the service provider is still continuing until the asset register is in line with the required standards.

**Table 66: Treatment of the three largest assets acquired 2013/14**

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2013/14		
Asset 1		
Name	Piesanghoek to khunda	
Description	Construction of Piesanghoek to khunda road 3km	
Asset Type	Roads and Storm Water	
Key Staff Involved	PMU Manager and Director Technical Services	
Staff Responsibilities	Project Management and Service Provider Monitoring	
	2012/2013	2013/2014 total project cost
	0	21 640 330.76
Capital Implications	Development of road Infrastructure (Roads and Storm Water)	
Future Purpose of Asset	Provision of access road to Community and Control of Storm Water	
Describe Key Issues	Construction of road and associated storm-water control system	

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2013/14		
Policies in Place to Manage Asset	Yes	
Asset 2		
Name	Waterval rehabilitation of road	
Description	Construction waterval streets 5.1km	
Asset Type	Road and stormwater	
Key Staff Involved	Director Technical Services, manager PMU	
Staff Responsibilities	Project management and Co-ordinating	
Asset Value	2012/2013	2013/2014
		14 206 221.15
Capital Implications	Proper access and control of vehicles for on the rehabilitated road and storm-water	
Future Purpose of Asset	Provision of access road to Community and Control of Storm Water	
Describe Key Issues	Construction of road and associated storm-water control system	
Policies in Place to Manage Asset	Yes	
Asset 3		
Name	Dzanani community hall	
Description	Construction of Dzanani community hall	
Asset Type	Building	
Key Staff Involved	Director Technical Services and PMU Manager	
Staff Responsibilities	Project Management, Supervision and Monitoring of Service Provider	
Asset Value	2012/2013	2013/2014
	0	16 021 591.15
Capital Implications	Infrastructure Development	
Future Purpose of Asset	To be used by Community functions and municipal meetings	
Describe Key Issues	Construction of hall, guard house, parking buys, palisade fencing and landscaping and provision of borehole and tank for irrigation system	
Policies in Place to Manage Asset	Yes	

**Table 67:** Supporting Table SA8 Performance indicators and benchmarks (SA 8)

**Choose name from list - Supporting Table SA8 Performance indicators and benchmarks (SA 8)**

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14		Full Year Forecast	Pre-audit outcome
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget		
<u>Borrowing Management</u>								
Credit Rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.3%	4.3%	2.1%	0.0%	0.7%	0.4%	1.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.6%	10.0%	4.8%	0.1%	1.6%	0.6%	2.6%

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14		Full Year Forecast	Pre-audit outcome
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget		
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>								
Gearing	Long Term Borrowing/ Funds & Reserves	1.6%	2.8%	2.2%	2.8%	2.8%	2.6%	2.5%
<b>Liquidity</b>								
Current Ratio	Current assets/current liabilities	0.9	2.6	2.2	11.8	11.8	3.0	3.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	2.6	2.2	11.8	11.8	3.0	3.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.1	1.1	1.1	0.5	0.7
<b>Revenue Management</b>								
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		116.0%	95.8%	88.0%	94.3%	69.7%	140.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		116.0%	95.8%	88.0%	94.3%	72.1%	140.3%	89.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	38.8%	12.7%	15.9%	38.5%	38.6%	143.1%	11.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old							
<b>Creditors Management</b>								
Creditors System Efficiency	% of Creditors Paid Within Terms (within `MFMA' s 65(e))			80.0%				75.0%
Creditors to Cash and Investments		-5908.7%	-2086.9%	1510.8%	-272.9%	-22.3%	410.6%	101.4%
Employee costs	Employee costs/(Total Revenue - capital revenue)	35.5%	34.0%	37.7%	35.4%	35.8%	35.0%	36.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	38.8%	37.3%	41.2%	38.6%	39.1%	38.4%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.4%	3.9%	2.8%	4.9%	2.4%	2.4%	



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.4. SPENDING ON 5 LARGEST PROJECTS

The following represent the capital spending against the capital budget:

**Table 68:** Capital Expenditure of 5 largest projects\*

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Year 2013/14			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Piesanghoek to Khunda road	21 640 330.76	0	21 640 330.76	0%	0%
B - Rehabilitation of Waterval streets	14 206 221.15	0	14 206 221.15	0%	0%
C – Dzanani community hall	16 021 591.15	0	16 021 591.15	0%	0%
D – Sereni to Mashamba access road	15 898 805.08	0	15 898 805.08	0%	0%
E – Rehabilitation of Eltivillas CBD streets	17 497 404.60	0	17 497 404.60	0%	0%
Projects with the highest capital expenditure in 2013/14					
<b>Name of Project - A</b>	Piesanghoek to Khunda road				
Objective of Project	To ensure access to business facilities is efficient and thus promoting business growth rapidly				
Delays	None				
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
<b>Name of Project - B</b>	Rehabilitation of Waterval streets				
Objective of Project	To ensure easy access to public around municipality's nodal points				
Delays	Rain				
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
<b>Name of Project - C</b>	Dzanani community hall				
Objective of Project	To ensure community have access to facilities for community events				
Delays	None				
Future Challenges	Maintenance of halls and safe guarding				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
<b>Name of Project - D</b>	Rehabilitation of Eltivillas CBD streets				
Objective of Project	Construction of hall, guard house, parking buys, palisade fencing and landscaping and provision of borehole and tank for irrigation system and for public use.				
Delays	none				
Future Challenges	None				

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Year 2013/14			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Anticipated citizen benefits	Easy and comfortable access to community facilities and sports uses as multipurpose within municipal areas				
<b>Name of Project - E</b>	Waterval streets rehabilitation				
Objective of Project	To ensure access to promoting business growth rapidly around the township and related villages				
Delays	procurement processes ,delays on site preparation for relevant progress				
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
					T5.7.1

**Table 69:** Service Backlogs as at 30 June 2014

Service Backlogs as at 30 June 2014			
Households (HHs)			
		*Service level above minimum standard	*Service level below minimum standard
		No. HHs	% HHs
Water		VDM	VDM
Sanitation		VDM	VDM
Electricity		86060	
Waste management		10998	10998
Housing		16807	16807
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.			T5.8.2

## COMPONENT C: CASHFLOW

### 5.5 BORROWING AND INVESTMENTS

#### INTRODUCTION TO BORROWING AND INVESTMENTS

- *Makhado municipality had 2 short term call accounts at 30 June 2014.*
- *Makhado municipality has the following Borrowings:*
  - *1. INFRASTRUCTURE FINANCE CORPORATE LIMITED (INCA LOAN). the amount borrowed was R 12,656,600 @ 11.47 % from 05 NOV 2004 until 30 June 2014*
  - *2. DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) the loan is from 01.04.2008 until 31.03.2018 and is being paid bi-annually.*

#### Challenges:

- *Inability to settle Eskom bulk purchases invoice for main town timeously.*
- *Cash flow constraints thus the infrastructure plan to upgrade substations are currently on hold, external sourcing of funds still in progress.*

**Table 70** : Actual Borrowings 2011/12- 2013/14

Actual Borrowings 2011/12- 2013/14			
R' 000			
Instrument	2011/12	2012/13	2013/14
<u>Municipality</u>			
Long-Term Loans - outstanding balances INCA LOAN	1 807	1 807	2 021
Long-Term Loans - outstanding balances DBSA LOAN	1 215	1 098	1 195
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	3 022	2 905	3 216
			T5.10.2
Outstanding balances			
DBSA : LOAN 1 R 4,510,810.72			
DBSA : LOAN 2 R 1,420,922.47			
INCA : Paid up			
Total : R 5,931,733.19			

**Table 71: Municipal and Entity Investments**

<b>Municipal and Entity Investments</b>			
<b>R' 000</b>			
<b>Investment* type</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	1	7 840	50 622
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers' Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	<b>1</b>	<b>7 840</b>	<b>50 622</b>
<b><u>Municipal Entities</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers' Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>			<b>0</b>
<b>Consolidated total:</b>	<b>1</b>	<b>7 840</b>	<b>50 622</b>
			T5.10.4

## COMPONENT D: SUPPLY CHAIN MANAGEMENT

### 5.6 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The Supply chain management policy was approved by the council in 2006 .The implementation was done by establishing supply chain management division under the direct supervision of the CFO. The structure for this division was established to cover all elements of supply chain. Two sections are fully functional, that is Acquisition and Logistic managements sections. The Bid specification and evaluation committees were established which comprises of members appointed by Municipal Manager on temporary basis depending on the tender under consideration. The Bid adjudication Committee was also established which is composed of senior managers. Councilors are not part of bid committees and they are not participating in supply chain processes. The municipality has ensured that seven (7) officials attended Bid committee training (MFMA) by PALAMA while eight (8) officials has completed Certificate in MFMA Programme (meeting minimum requirements).

During the financial year, the municipality incurred irregular expenditure as disclosed in the financial statements (refer to the audit report). The following 33 tenders were awarded as depicted in the table below:

#### TENDER AWARDED FOR JULY 2013/14 FINANCIAL YEAR

**Table 72: Tenders awarded for 2013/2014**

TENDER NO	DESCRIPTION	AMOUNT	STARTING DATE	EXPIRY DATE
5/2013	Security service for the municipality properties for three years	R39 850 200.00	1/8/2013	31/7/2016
5/2013	Security service for the municipality properties for three years	R40 130 496.00	1/8/2013	31/7/2016
5/2013	Security service for the municipality properties for three years	R42 714 000.00	1/8/2013	31/7/2016
5/2013	Security service for the municipality properties for three years	R45 697 014.00	1/8/2013	31/7/2016
5/2013	Security service for the municipality properties for three years	R33 500 222.72	1/8/2013	31/7/2016
5/2013	Security service for the municipality properties for three years	R36 284 784.26	1/8/2013	31/7/2016
4/2013	Maintenance of air conditioners	Rates per tender documents	1/10/2013	30/9/2015
17/2013	Electrification of Ramantsha/Riverside villages	R650 357.46	1/9/2013	28/2/2014
18/2013	Electrification of Sane ,Mangwele,Afton,Ndouvhana,Gombani	R885 000.00	1/9/2013	28/2/2014
19/2013	Electrification of Gogobole /Manavhela Villages	R655 840.86	1/9/2013	28/2/2014
20/2013	Electrification of Magau Villages	R685 291.51	1/9/2013	28/2/2014
21/2013	Electrification of Tshikota /Tshiozwi Villages	R650 357.46	1/9/2013	28/2/2014
22/2013	Electrification of Tshikododo/Zamekoste/Makhita/Mashau/Tshiendeulu/khunda/matshavhawae Villages	R1 254 000.00	1/9/2013	28/2/2014

TENDER NO	DESCRIPTION	AMOUNT	STARTING DATE	EXPIRY DATE
7/2013	Short term insurance for the period of three years	R964010.22 FIRST YEAR	1/10/2013	30/9/2016
26/2013	Engineering services for electrification of Luvhalani, and Mauluma zone 4 villages	8% of professional service fees	1/11/2013	31/1/2014
27/2013	Engineering services for electrification of Mugejwani, and Wisagalaza villages	8% of professional service fees	1/11/2013	31/1/2014
28/2013	Electrification of Tshifhatani and Makhavhani villages		1/11/2013	31/1/2014
29/2013	Engineering services for electrification of Mufeba and Pfananani villages	8% of professional service fees	1/11/2013	31/1/2014
30/2013	Supply and delivery of protective Clothing –Contisuits	R331 080.00	Once off	
30/2013	Supply and delivery of protective Clothing –Dustcoats	R62 400.00	Once off	
30/2013	Supply and delivery of protective Clothing –safety shoes	R862 579.00	Once off	
30/2013	Supply and delivery of protective Clothing –Rain coats	R236 730.00	Once off	
30/2013	Supply and delivery of protective Clothing –gumboots	R190 680.00	Once off	
32/2013	Development of new waste landfill site	R5819 659.13	1/11/2013	3/7/2014
34/2013	Appointment of Professional Service Provider: Replace Main Substation Protection Panels: 2013/2014	R368 676.00	1/11/2013	31/1/2014
36/2013	Supply and Delivery of a new waste landfill compactor machine.	R2 999 454.00	Once off	
37/2013	Proposed township establishment on remainder of portion7 of the farm Bergvleit 288 LS and part of Louis Trichardt township	R779 900.00	1/2/2014	31/1/2015
38/2013	Air Travel and Accommodation	8% commission chargeable to municipality per month.	1/12/2013	30/11/2016
44/2012	Environmental Impact Assessment on portion 1 of the farm Styldrift 46LT for purpose of Graveyard	R285 095.76	1/9/2013	28/2/2014
39/2013	Supply and delivery of diaries and calendars for 2014	R259 995.00	Once off	
41/2013	Provision of service in compliance with GRAP requirement asset register	R4 560 000.00	1/3/2014	29/2/2016
42/2013	Electrification of Njakanjaka phase 2 village	R1002 305.80	1/3/2014	30/6/2014
43/2013	Electrification of Vhangani village	R1002 945.87	1/3/2014	30/6/2014
44/2013	Electrification of Mashamba village	R1004 540.08	1/3/2014	30/6/2014
48/2013	Rehabilitation of Eltivillas Business Area and CBD street phase 2A	R 13 330 835.78	1/3/2014	29/2/2015
49/2013	Rehabilitation of Eltivillas Business Area and CBD street phase 2B	R9 625 509.41	1/3/2014	29/2/2015

TENDER NO	DESCRIPTION	AMOUNT	STARTING DATE	EXPIRY DATE
2/2014	Electrification of Mugejwani village	R906 595.99	1/5/2014	31/7/2014
3/2014	Electrification of Luvhalani and Mauluma Zone 4	R 485 292.77	1/5/2014	31/7/2014
4/2014	Electrification of Tshifhatani and Makhavhani villages	R1 593 956.89	1/5/2014	30/8/2014
5/2014	Electrification of Mufeba and Pfananani villages	R1337 548.30	1/5/2014	30/8/2014
11/2014	Reconstruction and upgrading of Makhado swimming pools	R497 000.00	1/5/2014	30/7/2014
1 of 2014	Appointment of supplier for auto-reclosers and controls: 2013/2014	R1 216 122.93	Once off	

Irregular expenditure condoned by Council and submitted to National Treasury and AG R106 111 436

## 5.7 GRAP COMPLIANCE

### GRAP COMPLIANCE

GRAP is the acronym for Generally Recognised Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The major objectives of GRAP are:

- To ensure consistency in the accounting treatment of transactions and classification of account balances in municipalities
- To enhance comparability between similar-sized municipal bodies on a national basis
- To enable users of financial statements to make more accurate assessments of risks and returns.
- The municipality is constantly reviewing and embarking on processes to ensure compliance with GRAP standards :
  - ✓ GRAP 1 Presentation of Financial Statements
  - ✓ GRAP 2 Cash Flow Statements
  - ✓ GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
  - ✓ GRAP 4 The Effects of Changes in Foreign Exchange Rates
  - ✓ GRAP 5 Borrowing Costs
  - ✓ GRAP 6 Consolidated and Separate Financial Statements
  - ✓ GRAP 7 Investments in Associates
  - ✓ GRAP 8 Interests in Joint Ventures
  - ✓ GRAP 9 Revenue from Exchange Transactions
  - ✓ GRAP 10 Financial Reporting in Hyperinflationary Economies
  - ✓ GRAP 11 Construction Contracts
  - ✓ GRAP 12 Inventories
  - ✓ GRAP 13 Leases
  - ✓ GRAP 14 Events After the Reporting Date
  - ✓ GRAP 16 Investment Property
  - ✓ GRAP 17 Property, Plant and Equipment

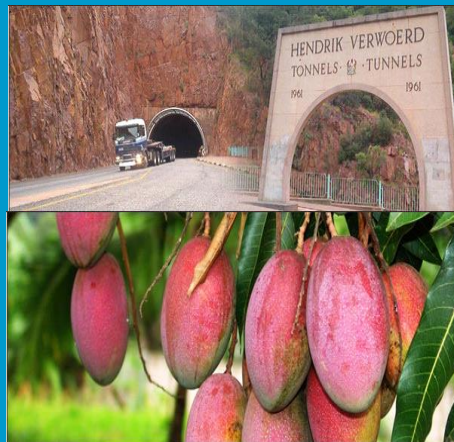
- ✓ GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
- ✓ GRAP 21 Impairment of Non-cash-generating Assets
- ✓ GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers)
- ✓ GRAP 24 Presentation of Budget Information in the Financial Statements
- ✓ GRAP 25- Employee Benefits
- ✓ GRAP 26 Impairment of Cash-generating Assets
- ✓ GRAP 31 Intangible assets
- ✓ GRAP 103 Heritage Assets
- ✓ GRAP 104 Financial Instruments



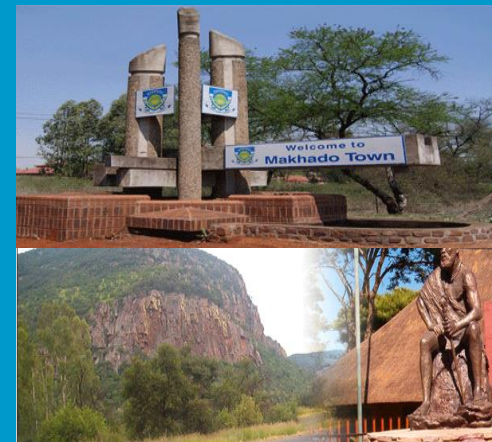


# CHAPTER 6

## AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2013/2014



## ANNUAL REPORT 2013/2014



## **CHAPTER 6: AUDITOR GENERAL OPINION ON FINANCIAL STATEMENT**

### **Report of the auditor-general to the Limpopo provincial legislature and council on the Makhado Municipality**

#### ***Report on the financial statements***

##### **Introduction**

1. I have audited the financial statements of the Makhado Municipality set out on pages X to XX, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

##### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2013 (Act No.2 of 2013) (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.

##### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Makhado Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

### **Emphasis of matters**

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

### **Restatement of corresponding figures**

8. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the Makhado Municipality at, and for the year ended 30 June 2013.

### **Material impairments**

9. As disclosed in note 6 to the financial statements, material impairments to the amount of R105 783 283 was made to receivables as a result of the municipality's inadequate collection practices.

### **Material underspending of the conditional grant**

10. As disclosed in note 17 to the financial statements, the municipality has materially under spent its conditional grants to the amount of R48 099 226. The underspending relates to mainly an additional R45 million received in March 2014 and for which the municipality put in place procurement plans.

### **Additional matters**

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

### **Unaudited supplementary schedules**

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

### **Unaudited disclosure notes**

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

## **Report on other legal and regulatory requirements**

14. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2014.

- Development priority: Roads and storm water on pages 139 to 143
- Development priority: Electrical on pages 120 to 139
- Development priority: Library services, traffic and licensing, parks and recreation, buildings and control, environmental management, disaster management and security services on pages 117 to 118, 144, 147, 150 to 158
- Development priority: Waste management on pages 118 to 119 and 148 to 149

16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

17. I evaluated the usefulness of reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priority. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPPi)*.

18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. The material findings in respect of the selected development priorities are as follows:

### **Development priority: Electrical**

#### **Usefulness of reported performance information**

##### **Measurability of targets**

20. The FMPPi requires that the performance targets be measurable. I could not measure the required performance for 23% of the targets.

This was due to a lack of proper systems and processes as well as technical indicator descriptions.

## **Reliability of reported performance information**

21. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of technical indicator descriptions for the accurate measurement, recording and monitoring of performance and monitoring of completeness of source documentation in support of actual achievements.

**Development priority: Library services, traffic and licensing, parks and recreation, buildings and control, environmental management, disaster management and security services**

## **Usefulness of reported performance information**

### **Measurability of targets**

22. The FMPPI requires that the performance targets be measurable. I could not measure the required performance for 46% of the targets.

This was due to a lack of proper systems and processes as well as technical indicator descriptions.

**Development priority: Waste management**

## **Usefulness of reported performance information**

### **Measurability of targets**

23. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 38% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 38% of the targets.

This was due to a lack of proper systems and processes as well as technical indicator descriptions.

## **Additional matters**

24. I draw attention to the following matters.

### **Achievement of planned targets**

25. Refer to the annual performance report on pages 117 to 144 and 147 to 158 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priorities in paragraphs 20 to 23 of this report.

## **Adjustment of material misstatements**

26. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of all selected development priorities. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

## **Compliance with legislation**

27. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## **Strategic planning and performance management**

28. The performance management system and related controls were inadequate as it did not describe and represent the processes of performance planning, monitoring, measurement, review, reporting and improvement and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the *Municipal planning and performance management regulations*.

## **Financial statements, performance and annual reports**

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.

Material misstatements of non-current assets, liabilities and expenditure identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

## **Procurement and contract management**

30. A contract was awarded to a bidder that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act.

## **Expenditure management**

31. Reasonable steps were not taken to prevent irregular and fruitless and wasteful expenditure as required by section 62(1)(d) of MFMA.

## **Internal control**

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

## Leadership

33. An inadequate performance management system and processes exist which did not ensure performance information that is in all instances useful and reliable.
34. The council, accounting officer and management did not exercise oversight responsibility in finding a solution that would ensure that material provision for bad debts are reduced to satisfactory levels and increased the municipality's contribution towards delivering quality services.
35. The accounting officer and management did not exercise adequate oversight responsibility over the enforcement of the municipality's procurement policy.

## Financial and performance management

36. The financial statements contained material misstatements that were corrected. This was mainly due to inadequate internal controls over a wide spectrum of the activities of the municipality and lack of competencies within finance department.
37. An adequate and frequent review of the validity, accuracy and completeness of reported achievements against source documentation was not performed.
38. The municipality's internal controls over procurement did not identify non-compliance with the procurement policy.

## Governance

39. Through on-going monitoring the accounting officer, management and the audit committee has to ensure there is an adequately resourced internal audit unit that assessed the effectiveness of the internal control environment supporting performance reporting and compliance with legislation.

*Auditor-General.*

Polokwane

28 November 2014



AUDITOR - GENERAL  
SOUTH AFRICA

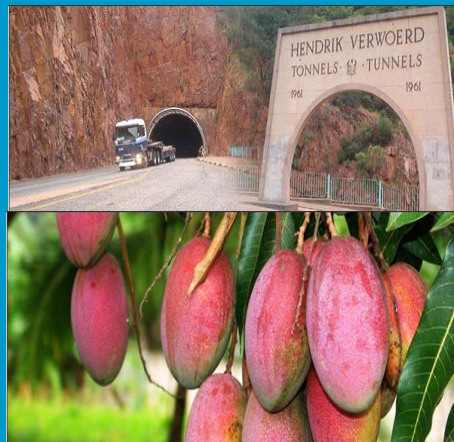
*Auditing to build public confidence*

**NB (FOR A SUMMARY LETTER DATED 18 MARCH 2015 REFER TO ANNEXURE A9)**

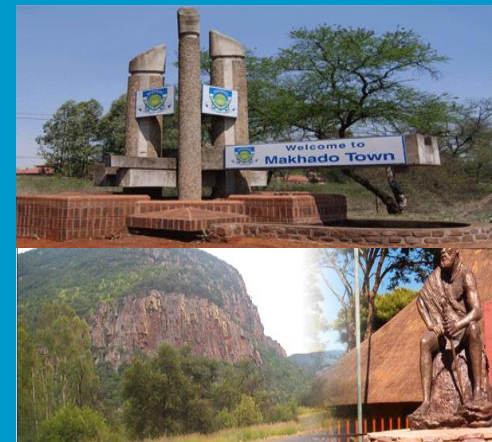


## ANNEXURES A1-A9

## ANNEXURES A1 -A9



## ANNUAL REPORT 2013/2014





## ANNEXURE 1: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/ Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Integrated Development Planning	To draft the IDP and budget by 31st March 2014	Draft IDP and Draft Budget tabled to Council by 31 March 2014	Draft IDP and Draft Budget tabled by 31 March 2013	IDP and Budget Review	All Wards	Operational	Operational	Operational	Income	Target achieved. Draft IDP and Draft Budget were tabled to Council before the 31 March 2014	N/A	N/A	Draft IDP and Draft Budget, Council resolution	MM
To provide good governance and public participation	Integrated Development Planning	To finalise the IDP and Budget by 31st May 2014	Final IDP and Budget approved by Council by 31 May 2014	Final IDP and Budget approved by Council by 31 May 2013	IDP and Budget Review	All Wards	Operational	Operational	Operational	Income	Target achieved. Final IDP and Budget were approved by Council before the 31st May 2014	N/A	N/A	Final IDP and Budget, Council resolution	MM
To provide good governance and public participation	Performance Management System	To ensure the signing of the SDBIP by the Mayor by 28th June 2014	SDBIP signed by the Mayor by 28th June 2014	SDBIP signed by the Mayor by 28th June 2013	SDBIP Development	N/A	Operational	Operational	Operational	Income	Target achieved. SDBIP was submitted and signed by the Mayor by the 24th June 2014	N/A	N/A	1. Approved SDBIP. 2 Council Resolution	MM
To provide good governance and public participation	Performance Management System	To table the Annual Report by 31st January	Annual Report tabled by 31 January 2014	Annual Report tabled by 31 January 2013	Annual Report	N/A	Operational	Operational	Operational	Income	Target achieved. Annual Report tabled by 31 January	N/A	N/A	1. Annual Report. 2 Council Resolution	MM

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/ Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
		2014									2014				
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To complete the EIA report for Waterval graveyard by 30 September 2013	EIA report for Waterval graveyard completed by 30 September 2013	Site for graveyard demarcated	N/A	31	Operational	Operational	Operational	Income	Target achieved. EIA report for Waterval graveyard completed	N/A	N/A	1. General Plan, Layout Plans 2. SG approval of the plans	PED
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To develop Land Sale policy by 31 March 2014	Land Sale policy developed by 31 March 2014	N/A	Land Sale policy development	N/A	Operational	Operational	Operational	Income	Target achieved. Land Sale policy developed	N/A	N/A	Approved Land sale Policy and Council Resolution	PED
Creation of long term sustainable and integrated economic growth and rural development.	Town Planning	To name street at the Townships by 30 June 2014	Townships streets named	N/A	Street Naming	Dzanani/Waterval	200 000.00	200 000.00	Operational	Income	Target not achieved. Items for constitution of the committee was submitted to EXCO for consideration	Delays in finalisation of consultation processes.	To stick the schedule	Draft List	PED

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Performance Management System	To develop 6 performance reports and submit to council for approval by 30th June 2014	# performance reports submitted to Council by 30th June 2014	6	6	Quarterly performance Reports	Operational	Operational	Operational	Income	Target achieved. 6 Performance reports done.	N/A	N/A	1. Quarterly reports 2. Council resolutions for each report	MM
To provide good governance and public participation	Performance Management System	To develop performance agreements for all appointed section 57 managers by 31 July 2013	% Appointed Section 57 managers with signed performance agreements by 30th June 2014	100%	100%	Signing of performance Agreement	Operational	Operational	Operational	Income	Target achieved. 100% (3/3 Section 57 managers have signed performance agreements)	N/A	N/A	Signed Performance Agreements	MM
To provide good governance and public participation	Performance Management System	To conduct 4 individual assessments for section 57 managers by 30 June 2014	# of S57 managers assessment conducted by 30 June 2014	4	4	Section 57 Managers Assessments	Operational	Operational	Operational	Income	Target achieved. 4 I assessments were done	N/A	N/A	Assessment Reports for all quarters	MM
To provide good governance and public participation	Human Resource Management and Administration	To hold 60 departmental meetings by 30th June 2014	# of departmental meetings held by 30th June 2014	12 per department (60)	12 per department (60)	N/A	Operational	Operational	Operational	Income	Target achieved. 12 meetings were held across all departments (60)	N/A	N/A	Agenda Meeting Notice & Monthly minutes	ALL DIRECTORS

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To cultivate good human resource and career management	Human Resource Management and Administration	To facilitate recruitment of 3 employees by 31 December 2013	# of vacancies filled in the department by 30th June 2014	30	30	N/A	Operational	Operational	Operational	Income	Target achieved, 31 vacancies were filled.	N/A	N/A	Advert and Appointment Letter	MM AND ALL DIRECTORS
To cultivate good human resource and career development practices	Human Resource Management and Administration	To review the organisational structure by 30 June 2014	Organisational structure reviewed by 30 June 2014	Organisational structure reviewed	Organisational structure was reviewed	Organisational structure review	Operational	Operational	Operational	Income	Target achieved. Organisational structure reviewed and approved together with the IDP	N/A	N/A	1. Approved Organisational Structure 2. Council Resolution	CORP SERV
To cultivate good human resource and career development practices	Human Resource Management and Administration	To train 250 employees as per the WSP	# of employees trained by 30 June 2014	250	523	N/A	Operational	Operational	Operational	Income	Target achieved. 364 employees trained	N/A	N/A	Annual Training Report 13/14 financial year. WSP 14/15 Financial Year	CORP SERV
To cultivate good human resource and career development practices	Human Resource Management and Administration	To fill 40 positions in line with the Employment Equity Plan by 30 June 2014	# of Employment Equity Plan position filled by 30 June 2014	40	2007/ 2008 to 2011/2012 Employment Equity Plan	N/A	Operational	Operational	Operational	Income	Target not achieved. 31 employees were appointed in line with the EEP	N/A	N/A	Employment Equity Report 13/14	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To assess 300 building plans by 30th June 2014	# of building plans assessed by 30th June 2014	300	338	N/A	Operational	Operational	Operational	Income	Target achieved. 404 building plans were assessed	N/A	N/A	Register of Building Plans received vs plans approved	PED
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To issue 30 zoning certificates by 30 June 2014	# of zoning certificates issued by 30th June 2014	30	24	N/A	Operational	Operational	Operational	Income	Target Achieved. 81 zoning certificates issued	N/A	N/A	Register of zoning planned vs zoning approved in the period + reports	PED
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To assess and approve 30 applications for rezoning, subdivision, special consent and consolidation by 30 June 2014	# rezoning, subdivision, special consent and consolidation applications assessed and approved by 30th June 2014	30	65	N/A	Operational	Operational	Operational	Income	Target achieved. 97 applications processed	N/A	N/A	Register of rezoning & subdivisions vs actual work done records	PED

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To issue 24 certificates of occupancy by 30 June 2014	# of certificates of occupancy issued by 30th June 2014	24	31	N/A	Operational	Operational	Operational	Income	Target achieved. 78 certificates issued	N/A	N/A	Certificate of Occupancy issued in the period vs Applications received	PED
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To formalise residential sites at Matshavhawe by 30 June 2014	Residential sites at Matshavhawe formalised by 30th June 2014	Formalised residential sites at Matshavhawe	Tender awaiting appointment	N/A	Operational	Operational	Operational	Income	Target not achieved. Formalisation has not been completed. Physical studies done. Environmental management plan done	The was underestimation of the timeframes	Demarcation project to be planned as multiyear project.	1. General Plan, Layout Plans 2. SG approval of the plans	PED

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To ensure effective and efficient spatial planning and Land Use Management	Town Planning	To demarcate sites in 5 villages by 30 June 2014	# of villages demarcated by 30th June 2014	5	12/13 projects not finalised	N/A	Operational	Operational	Operational	Income	Target Achieved. Masia demarcation done, Extension 13 final layout received, Service provider busy with designs for Bergvliet, Motivational memorandum for Muananzhelle CPA is submitted, Tshitungwana project cannot continue anymore	The community of Tshitungwana rejected the layout	To continue after the community have reached an agreement	Lay-out, General Plans, Record of decision from LEDET	PED
To Coordinate, support and provide youth activities	Special Programmes	To conduct 3 youth activities by 30 June 2014	# of Youth Activities conducted by 30 June 2014	3	1	N/A	Operational	Operational	Operational	Income	Target achieved. 3 youth activities held.	N/A	N/A	1. Invitations 2. Attendance registers	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To Coordinate, support and provide youth activities	Special Programmes	To bursary to 15 learners by 31 December 2013	# of learners awarded a Bursary by 31 December 2013	15	15	N/A	Operational	Operational	Operational	Income	Target achieved. 15 Learners were awarded bursaries	N/A	N/A	Checklist and supporting documents	CORP SERV
To Coordinate, support and provide youth activities	Special Programmes	To organise 12 Sports, arts and culture activities by 30 June 2014	# of Sports, arts and culture activities conducted by 30 June 2014	12	36	N/A	Operational	Operational	Operational	Income	Target not achieved. 3 activities were held. (Kremetart, Mamu tournament, Comrades marathon)	Delays in identification of beneficiaries	To replan the sports programme.	Request letter, invitations and attendance registers	CORP SERV
To Coordinate, support and provide youth activities	Special Programmes	To organise 10 women and Children's activities by 30 June 2014	# of women and Children's activities conducted by 30 June 2014	10	14	N/A	Operational	Operational	Operational	Income	Target not achieved. Only 7 activities were done	Delays in supply chain processes	To replan the women programme.	Request letter, invitations and attendance registers	CORP SERV
To Coordinate, support and provide youth activities	Special Programmes	To organise 9 HIV/AIDS activities by 30 June 2014	# of HIV/AIDS activities conducted by 30 June 2014	9	11	N/A	Operational	Operational	Operational	Income	Target not achieved. Only 5 activities done	Unavailability of the main stakeholders.	To stick to the schedule.	Request letter, invitations and attendance registers	CORP SERV



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Annual Achievements	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To Coordinate, support and provide youth activities	Special Programmes	To organise 6 activities for people living with disability Conducted by 30 June 2014	# of activities for people living with disability Conducted by 30th June 2014	6	10	N/A	Operational	Operational	Operational	Income	Target achieved. 6 activities were done	N/A	N/A	Invitations and attendance register	CORP SERV
To Coordinate, support and provide youth activities	Special Programmes	To organise 6 Elderly Senior Citizens activities by 30 June 2014	# of Elderly Senior Citizens activities Conducted by 30 June 2014	6	6	N/A	Operational	Operational	Operational	Income	Target achieved 6 activities done	N/A	N/A	Request letter , invitations and attendance registers	CORP SERV
To Coordinate, support and provide youth activities	Special Programmes	To organise 4 Moral Regeneration activities by 30 June 2014	# of Moral Regeneration activities Conducted by 30 June 2014	4	5	N/A	Operational	Operational	Operational	Income	Target achieved 5 activities were done	N/A	N/A	Invitation and attendance register	CORP SERV

## ANNEXURE 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide safe and sustainable roads and stormwater services	Project Management	To ensure 100% completion of MIG projects by 30th June 2014	% MIG projects completed on time by 30th June 2014	100%	100%	All Wards	Operational	Operational		MIG	Target achieved. 100% (11/11) MIG projects completed	N/A	N/A	Projects reports detailing MIG projects progress	MM
To render library and information services to the community	Library Services	To conduct 1 readathon campaign by 30 September 2013	# of Readathon campaign conducted by 30 September 2013	1	N/A	All Wards	Operational	Operational		246/2601 02	Target achieved. 1 Readathon campaign conducted	N/A	N/A	1. Attendance register, 2. Program. 3 Memo approved by Municipal Manager	COM SERV
To render library and information services to the community	Library Services	To conduct library week campaign by 31 March 2013	# of Library week campaigns conducted by 31 March 2013	1	N/A	All Wards	Operational	Operational	Operational	246/2601 02	Target not achieved. 1 library week was not done due to cashflow constraints	Cashflow constraints	To be done in 2014/2015 financial year	1. Attendance register, 2. Program. 3 Memo approved by Municipal Manager	COM SERV
To render library and information services to the community	Library Services	To conduct 5 outreach programme by 30 June 2014	# of outreach programmes conducted by 30 June 2014	5	N/A	All Wards	Operational	Operational	Operational	246/2601 02	Target achieved. 5 outreach programmes were done.	N/A	N/A	1. Attendance register, 2. Program. 3 Memo approved by Municipal Manager	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To render library and information services to the community	Library Services	To purchase 100 books by 31st March 2013	# of books purchased by 31st March 2014	100	7250	All Wards	Operational	Operational	Operational	236/260142	Target achieved. 100 Books purchased	N/A	N/A	Proof of purchase, Delivery note	COMSERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing	To register 3226 vehicles by 30 June 2014	# of Vehicles Registered by 30 June 2014	3236	6814	All Wards	Operational	Operational	Operational	N/A	Target achieved. 8576 Vehicles registered	N/A	N/A	RD329 Computer Printout	COMSERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing	To license 3962 drivers by 30 June 2014	# of new Drivers Licensed by 30 June 2014	3962	7397	All Wards	Operational	Operational	Operational	N/A	Target achieved. 17259 learners drivers registered	N/A	N/A	RD329 Computer Printout	COMSERV
To maintain clean, healthier and safe environment for the community	Waste Management	To implement 4 waste minimisation programs by 30 June 2014	# of waste minimisation programs implemented by 30 June 2014	4	2	All Wards	Operational	Operational	Operational	N/A	Target achieved. 17 waste minimisation programme implemented.	N/A	N/A	Monthly reports	COMSERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To maintain clean, healthier and safe environment for the community	Waste Management	To collect 100% waste as per waste action plan by 30 June 2014	% of waste collected (# of collection done/# of collection targeted) by 30 June 2014	100%	100%	All Wards	Operational	Operational	Operational	N/A	Target Achieved. Achieved 100% (10735/10735) refuse collection and street cleaning were conducted according to schedules	N/A	N/A	Collection Reports.	COMSERV
To maintain a clean, healthier and safe environment for the community	Waste Management	To recycle 1634176kg of waste by 30 June 2014	kg of waste recycled from the baseline by 30 June 2014	1634176kg	1602133 Kg	All Wards	Operational	Operational	Operational	N/A	Target achieved. 2975850kg waste recycled	N/A	N/A	External waste recycling reports confirming Kgs recycled	COMSERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	Electricity Substations & network with 11kV(RMU) by 30 June 2014	Electricity Substations & network with 11kV(RMU) by 30 June 2014	N/A	Ring Main Units 11kV(RMU)	Makhado Town	R 1 000 000.00	R 500 000.00	R 428 310.87	413503 (Income)	Target achieved. The upgrading of Electricity Substations & network with 11kV(RMU) has been completed	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade Electricity Substations & network at Mini subs by 30 June 2014	Electricity urban network upgraded by installing new improved parts at Mini sub stations	N/A	Mini Subs	Makhado Town	R 600 000.00	R 600 000.00	R 434 250.00	413504 (Income)	Target achieved. Upgrading of Electricity Urban network by installing and replacing of Mini sub stations is completed	N/A	N/A	Purchase Orders/Requisition; delivery notes. Timesheets on projects, Spec for SCM.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	2Kms of Mara Electricity lines upgraded by 30 June 2014	2km of Mara Electricity lines upgraded by 30 June 2014	N/A	Upgrade Mara Line	Mara	R 300 000.00	R 300 000.00	179 104.52	413507 (Income)	Target achieved. The project is completed. 2km of Mara Electricity lines upgraded	N/A	N/A	Specifications, proof of purchase of materials and project progress report	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade 2000m of Electricity urban network MV Cables 70mm by 30 June 2014	2000m of Electricity Urban network MV Cables 70mm upgraded	N/A	MV Cables 70mm <sup>2</sup> - urban network	Makhado Town	R 1 000 000.00	R 1 000 000.00	1 098 744.00	413508(Income)	Target achieved. The project is completed. 2000m of Electricity Urban network MV Cables 70mm upgraded	N/A	N/A	Specifications, proof of purchase of materials and project progress report	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide standby electrical supply to library by December 2013	50m Standby electrical supply cable installed from main standby generator to library.	N/A	Library standby supply	Makhado Town	R 20 000.00	R 20 000.00		413522(Income)	Target achieved. 50m Standby electrical supply cable installed from main standby generator to library. Distance	N/A	N/A	Purchase Orders. Project progress report	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade 550m of Electricity Urban cable network. MV Cables 95mm <sup>2</sup> 22Kv by 30 June 2014	550m of Electricity Urban cable network. MV Cables 95mm <sup>2</sup> 22Kv upgraded	N/A	MV Cables 95mm <sup>2</sup> 22Kv	Makhado Town	R 350 000.00	R 0.00		413509(Income)	Project cancelled. Removed during Adjustment.	Removed during Adjustment due financial constraints	To be done in 2014/2015 financial year	SDBIP 2014/2015	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade 1.5Kms of Electricity lines by 30 June 2014	1.5Kms of Electricity lines upgraded	N/A	Upgrade Tshipise line	Tshipise	R 250 000.00	R 250 000.00	213 011.43	413510(Income)	Target achieved. The project is complete. 1.5Kms of Electricity lines at Tshipise is upgraded	N/A	N/A	Designs and planning documents, proof of purchase of materials, Project progress report	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade main Substations Line protection control Panels by 30 June 2014	Main Substations Line protection control panels upgraded.	N/A	Replace Line protection control Panel complete Makhado Sub	Whole network	R 650 000.00	R 150 000.00	132 226.72	413512(Income)	Target not achieved. Main Substations Line protection control panels was not upgraded. Due to financial constraints	There were no provision for funding hence no need to appoint a contractor	To include the project in the 2015/2016 financial year.	Tender specs. and advertisement. Appointment of consultant. Advert for contractor. Appointment of contractor. Progress payments. Completion certificate.	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To replace 5 Recloser units by 30 June 2014	5 Recloser units replaced.	N/A	Recloser whole network	Whole network	R 600 000.00	R 600 000.00	526 315.80	413514(Income)	Target achieved. 5 recloser units were purchased	N/A	N/A	Specification documents. Purchase Orders/Requisition; delivery notes. Re-advertising request, Project progress report	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To replace Recloser control units by 30 June 2014	5 Recloser control units replaced.	N/A	Recloser controls x 5	Whole network	R 650 000.00	R 650 000.00	540 458.73	413515(Income)	Target achieved. 5 Recloser control units were replaced.	N/A	N/A	Specification documents. Purchase Orders/Requisition; delivery notes. Timesheets of personnel hours to confirm installation. Re-advertising request	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade Stubb sub station Transformers 2 x 10MVA 22/11 by 30 June 2014	Upgrade Stubb Sub Station Transformers 2 x 10MVA 22/11 upgraded	N/A	New Transformers 2 x 10MVA 22/11	Makhado Town	R 1 000 000.00	R 0.00	R 0.00	413599(Income)	Project cancelled and removed during adjustment	Insufficient budget	To be done in 2015/2016	Project cancelled and removed during adjustment	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To procure pole truck for effective maintenance and operations of electrical infrastructure	to procure 1 x 7Ton pole truck	N/A	7 Ton Pole truck	Whole network	R 700 000.00	R 700 000.00	R 0.00	413511(Income)	Target not achieved. 1 x 7Ton pole truck not procured due insufficient budget	Insufficient budget	To be done in 2015/2016	Tender Specification documents. Purchase Orders/Requisition; delivery notes.	<b>TECH SERV</b>



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade 2Kms of Electricity lines 30 June 2014 - Upgrading Mountain line	2Kms of Electricity lines upgraded	N/A	Upgrading Mountain line	Makhado Town & Mountain	R 1 250 000.00	R 1 250 000.00	R 0.00	41351 16(income)	Target not achieved. 2Kms of Electricity mountain lines was not upgraded due MPAC investigation is in place. Council requested MPAC to investigate the issue of sole supplier.	Financial constraints. MPAC investigation is in place	To continue when investigations are done	Tender specs advert evaluation adjudication and appointment of contractor completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade 2Kms of Electricity lines 30 June 2014 - Upgrading Industrial line	2km of electricity in Industrial line upgraded	N/A	Upgrading Industrial line	Makhado Town	R 1 500 000.00	R 1 250 000.00	R 0.00	41351 76(income)	Target not achieved. 2km of electricity in Industrial line was not upgraded due MPAC investigation is in place. Council requested MPAC to investigate the issue of sole supplier.	Financial constraints. MPAC investigation is in place	To continue when investigations are done	Tender specs advert evaluation adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade 2 Electricity Substations & network - battery charger & batteries by 31 May 2014	2 Electricity Substations & network - battery charger & batteries purchased	N/A	Sub Station battery charger x 2 & batteries	Makhado Town & Levubu	R 300 000.00	R 300 000.00	R 0.00	41351 86 (Income)	Target achieved. Sub Station battery charger x 2 & batteries is done	N/A	N/A	Inter departmental amendment report approval and EXCO item to	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
														Council for approval.	
To provide continuous sustainable and reliable electricity supply	Electrical	To provide households with electricity in various villages in MLM area. households with electricity connections by 30th June 2014	106 households in various villages in MLM area electrified	N/A	Post Connections. Zamekomste, Tshikodobo, Madadonga, mashau, Matshawa we, Tshikota & Tshioswi	Makhado Licensed Area	R 1 000 000.00	R 1 000 000.00	1 061 823.64	407293 Income)	Target achieved. 106 connections were done at Zamekomste, Tshikodobo, Madadonga, mashau, Matshawa we, Tshikota & Tshioswi	N/A	N/A	Purchase Orders/Requisition; delivery notes. Timesheets on projects, Spec for SCM, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 206 households at Njakanjaka village by 30th June 2014	206 households at Njakanjaka village electrified	N/A	Electrification in Eskom Areas	Njakanjaka	R 2 266 000.00	R 2 266 000.00	3 238 042.51	407265-INEP	Target not achieved. MV and LV is done, House connection in progress.	Slow progress on the side of the service provider.	To conclude the project before 30 September 2014	Appointment letter of consultant. Specifications, Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 165 households at Vhangani village by 30th June 2014	165 households at Vhangani village electrified	N/A	Electrification in Eskom Areas	Vhangani	R 1 815 000.00	R 1 815 000.00	1 318 863.78	407266-INEP	Target not achieved. MV and LV is done, House connection in progress.	Slow progress on the side of the service provider.	To conclude the project before 30 September 2014	Appointment letter of consultant. Specifications, Appointment of consultants	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
												er.		and contractor, Project progress report, completion certificate	
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 101 households at Mashamba village by 30th June 2014	101 households at Mashamba village electrified	N/A	Electrification in Eskom Areas	Mashamba	R 1 111 000.00	R 1 111 000.00	2 873 893.65	40726 7-INEP	Target not achieved. MV and LV is done, House connection in progress.	Slow progress on the side of the service provider.	To conclude the project before 30 September 2014	Appointment letter of consultant. Specifications, Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 50 households at Pfananani village by 30th June 2014	50 households at Pfananani village electrified	N/A	Electrification in Eskom Areas	Pfananani	R 550 000.00	R 550 000.00	R 0.00	40726 8-INEP	Target not achieved. The site has been handed over on 23 June 2014	Due to late appointment of service providers	To complete the project before end December 2014. To do forward planning regarding the projects in following financial	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
													year		
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 45 households at Luvhalani village by 30th June 2014	45 households at Luvhalani village electrified	N/A	Electrification in Eskom Areas	Luvhalani	R 495 000.00	R 495 000.00	R 0.00	407269-INEP	Target not achieved. The site has been handed over on 19 June 2014	Due to late appointment of service providers	To complete the project before end December 2014. To do forward planning regarding the projects in following financial year	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 55 households at Tshifhahani (Tshirangadzi) village by 30th June 2014	55 households at Tshifhahani (Tshirangadzi) village electrified	N/A	Electrification in Eskom Areas	Tshifhahani (Tshirangadzi)	R 605 000.00	R 605 000.00	556 739.00	407270-INEP	Target not achieved. MV and LV is done, House connection in progress.	Slow progress on the side of the service provider.	To conclude the project before 30 September 2014	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 135 households at Wisagalaza (Bungeni) village by 30th June 2014	135 households at Wisagalaza (Bungeni) electrified	N/A	Electrification in Eskom Areas	Wisagalaza (Bungeni)	R 0.00	R 0.00	R 0.00	INEP	Target not achieved. 135 households at Wisagalaza (Bungeni) not electrified. Project removed during adjustment	Insufficient budget	To be done in 2015/2016	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor, Project progress report, completion	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 70 households at Mufeba village by 30th June 2014	70 households at Mufeba electrified	N/A	Electrification in Eskom Areas	Mufeba	R 770 000.00	R 770 000.00	R 0.00	40727 2-INEP	Target not achieved. The site has been handed over on 19 June 2014	Due to late appointment of service providers	To complete the project before end December 2014. To do forward planning regarding the projects in following financial year	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 90 households at Makhavhani village by 30th	90 households at Makhavhani village electrified	N/A	Electrification in Eskom Areas	Makhavhani	R 990 000.00	R 990 000.00	655 622.73	40727 3-INEP	Target not achieved. MV and LV is done, House connection in progress.	Slow progress on the side of the	To conclude the project before 30	Appointment letter of consultant. Specifications and Designs	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
		June 2014										service provider.	September 2014	Appointment of consultants and contractor, Project progress report, completion certificate	
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 60 households at Mauluma Zone 4 by 30th June 2014	60 households at Mauluma Zone 4 electrified	N/A	Electrification in Eskom Areas	Mauluma Zone 4	R 660 000.00	R 660 000.00	R 0.00	40727 4-INEP	Target not achieved. The site has been handed over on 19 June 2014	Due to late appointment of service providers	To complete the project before end December 2014. To do forward planning regarding the projects in following financial year	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor, Project progress report, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 70 households at Mugejwani by 30th June 2014	70 households at Mugejwani electrified	N/A	Electrification in Eskom Areas	Mugejwani	R 770 000.00	R 770 000.00	65 389.41	40727 5-INEP	Target not achieved. MV and LV poles planted.	Slow progress on the side of the service provider.	To conclude the project before 30 September 2014	Appointment letter of consultant. Specifications and Designs Appointment of consultants and contractor,	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
														Project progress report, completion certificate	
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 75 households at Magau by 30th June 2014	75 households at Magau electrified	N/A	Electrification in Eskom Areas	Magau	R 685 292.00	R 685 292.00	556 019.26	40727 6-INEP	Target achieved. Project is completed. 75 connections done	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 30 households at Sane/Mangwele by 30th June 2014	30 households at Sane/Mangwele electrified	N/A	Electrification in MLM Areas	Sane/Mangwele	R 345 000.00	R 345 000.00	276 711.50	40727 7-INEP	Target achieved. Project is completed. 30 households at Sane/Mangwele electrified	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 35 households at Manavhela by 30th June 2014	35 households at Manavhela electrified	N/A	Electrification in MLM Areas	Manavhela	R 306 496.00	R 306 496.00	314 786.07	40727 8-INEP	Target achieved. 35 households at Manavhela electrified	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 45 households at Afton/Khomel e/Gombani by 30th June 2014	45 households at Afton/Khomel e/Gombani electrified	N/A	Electrification in MLM Areas	Afton/Khomel e/Gombani	R 510 000.00	R 510 000.00	609 095.67	407279-INEP	Target achieved. 45 connections done (take note that there was no need for Site establishment, Excavations and Pole planting)	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 60 households at Ramantsha by 30th June 2014	60 households at Ramantsha electrified	N/A	Electrification in MLM Areas	Ramantsha	R 426 158.00	R 426 158.00	352 524.87	407280-INEP	Target achieved. 60 connections done (take note that there was no need for Site establishment, Excavations and Pole planting)	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 40 households at Gogobole by 30th June 2014	40 households at Gogobole electrified	N/A	Electrification in MLM Areas	Gogobole	R 349 345.00	R 349 345.00	250 289.21	407281-INEP	Target achieved. 40 households at Gogobole electrified	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 31 households at Riverside by 30th June 2014	31 households at Riverside electrified	N/A	Electrification in MLM Areas	Riverside	R 224 200.00	R 224 200.00	224 199.34	40728 2-INEP	Target achieved. 31 households at Riverside electrified	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 31 households at Tshikota/Tshioswi by 30th June 2014	63 households at Tshikota/Tshioswi electrified	N/A	Electrification in MLM Areas	Tshikota/Tshioswi	R 636 509.00	R 636 509.00	352 524.87	40729 4-INEP	Target achieved. 88 connections completed	N/A	N/A	Tender specs, advert evaluation, adjudication and appointment of contractor, completion certificate	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 135 households at Tiyani village by 30th June 2014	135 households electrified by 30th June 2014	N/A	Electrification in MLM Areas	Tiyani	R 562 521.00	562521 777615	250 289.21	40729 5-INEP 40729 1- INCOME	Target achieved. 135 households electrified	N/A	N/A	Proof of payments	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 135 households at Madombija/Tshozwi by 30th June 2014	135 households electrified by 30th June 2014	N/A	Electrification in MLM Areas	Madombija/Tshozwi	R 376 607.00	R 376 607.00	224 199.34	40728 7-INEP	Target achieved. The project is completed. 135 households electrified. Switching on and handover done.	N/A	N/A	Project progress report	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To provide electricity to 135 households at Murunwa Village by 30th June 2014	135 households electrified by 30th June 2014	N/A	Electrification in MLM Areas	Murunwa	R 545 872.00	R 545 872.00	112 150.00	40728 8-INEP	Target achieved. 135 households electrified	N/A	N/A	Project progress report	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To finalise payment of the service provided on Ribungwani) electrification by 31 December 2013	Payment of litigation done	N/A	Electrification in MLM Areas	Ribungwani	R 0.00	R 17 181.00	17 181.05	40729 0-INCOME	Target achieved. Payment of litigation to the service provider done	N/A	N/A	Proof of payments	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To finalise payment of the service provided on Vleifontein (Parkview) electrification by 31 December 2013	Payment of the service provider for Vleifontein (Parkview) done (R12649.7)	N/A	Electrification in MLM Areas	Vleifontein (Parkview)	R 0.00	R 42 103.00	12 649.70	40729 2- INCO ME	Target achieved. Payment of litigation to the service provider done	N/A	N/A	Proof of payments	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To finalise payment of the service provided on Olifantshoek electrification by 31 December 2013	Payment of the service provider for Olifantshoek done (R169831.8)	N/A	Electrification in MLM Areas	Olifantshoek	R 0.00	R 183 197.00	169 831.80	40728 9- INCO ME	Target achieved. Payment of litigation to the service provider done	N/A	N/A	Proof of payments	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To electrify Tshikwarani - Muduluni by 30th June 2014	Electrification of 1004 households at Tshikwarani - Muduluni completed	N/A	Electrification in MLM Areas	1. Tshikwarani (Income) Tshikwarani -Muduluni (VDM) Tshikwarani Muduluni (INEP)	R 0.00	185983 1 529230. 62 384503. 86	1 940 843.08	40728 6- INCO ME 40728 4- VDM 40725 6-INEP	Target achieved. 1004 Tshikwarani - Muduluni household electrification is completed.	N/A	N/A	Project progress report	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To finalise payment of the service provided on Masakhane electrification by 31 March 2014	Payment of the service provider for Masakhane done R132048)	N/A	Maskhane electrification	Masakhane		R 132 048.00	132 048.00	40728 5 - DDM	Target achieved. The service provider was paid (R454239.13)	N/A	N/A	Proof of payments	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To finalise payment of the service provided on Nditwani electrification by 30 September 2013	Payment of the service provider for Nditwani done (R454239.13)	N/A	Nditwani electrification	Nditwani		R 494 503.61	454 239.13	40728 3-VDM	Target achieved. The service provider was paid in the second quarter	N/A	N/A	N/A	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade the ablutions rooms by 30 June 2014	1 ablution block with 3 toilets and 3 showers inside upgraded	N/A	Upgrade ablutions	Makhado town	R 100 000.00	R 100 000.00	57 304.88	41352 1 Income)	Target achieved. 1 ablution block with 3 toilets and 3 showers inside has been upgraded	N/A	N/A	Spec for SCM, requisitions orders delivery notes. Project report, completion certificate	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To upgrade standby quarters by 30 June 2014	10 roomed Standby quarters upgraded	N/A	Standby quarters	Makhado Town	R 250 000.00	R 250 000.00	190 190.36	41352 2 Income)	Target not achieved. 10 roomed Standby quarters was not completed. Only materials are purchased.	Unavailability of labourers (Builders)	To use the services of EPWP builders	Spec for SCM, requisitions orders delivery notes. Project report, completion certificate	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To replace Land lights at air strip by 31 March 2014	Land lights at air strip replaced	N/A	Land lights at air strip	Makhado Town Tshikota	R 700 000.00	R 700 000.00	604 224.20	407257 Income)	Target achieved. Project completed. Land lights at air strip installed	N/A	N/A	Request for deviation of procurement process document. Purchase Orders/Requisition; delivery notes. Completions certificates.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Sets of tools for new electricians by 31 December 2013	The Sets of tools for new electricians purchased	N/A	Sets of tools for new electricians	N/A	R 50 000.00	R 54 000.00	50 561.45	413525 Income)	Target achieved. Sets of tools for new electricians purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Tools for metering protection & electrification by 31 December 2013	Set of tools for metering protection & electrification purchased	N/A	Tools for metering protection & electrification	N/A	R 40 000.00	R 4 000.00	3 516.00	413526 Income)	Target not achieved. Tools for metering protection & electrification not purchased. Funds transferred to other vote	Funds transferred to other vote	To be done in the 2015/2016 financial year	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Bush cutters/brush cutter by 31 December 2013	6 Bush cutters/brush cutter purchased	N/A	Bush cutters	N/A	R 200 000.00	R 20 000.00	18 066.67	413530 Income)	Target achieved. 6 Bush cutters/brush cutter purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Compactor by 31 December 2013	1 Compactor purchased	N/A	Compactor	N/A	R 30 000.00	R 23 000.00	22 539.47	41353 1 Income)	Target achieved. 1 Compactor purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase 4 x Extension power chain saws by 31 December 2013	4 x Extension power chain saws purchased	N/A	4 x Extension power chain saws	N/A	R 20 000.00	R 20 000.00	17 222.82	41353 2 Income)	Target achieved. 4 x Extension power chain saws purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase 6 x Chain saws by 31 December 2013	6 x Chain saws purchased	N/A	6 x Chain saws	N/A	R 18 000.00	R 18 000.00	16 428.77	41353 3 Income)	Target achieved. 6 x Chain saws purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase 6 x Telescopic tree prunes ( silky pruners) by 31 December 2013	6 x Telescopic tree prunes ( silky pruners) purchased	N/A	6 x Telescopic tree prunes ( silky pruners)	N/A	R 30 000.00	R 23 000.00	22 631.58	41353 4 Income)	Target achieved. 6 x Telescopic tree prunes ( silky pruners) purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Cable locator LV by 31 December 2013	1 Cable locator LV purchased	N/A	Cable locator LV	N/A	R 80.00	R 0.00	R 0.00	41353 7 Income)	Project cancelled. Funds re-allocated to electrifications . Removed during adjustment budget	Insufficient budget	To be done in the 2015/2016 financial year	Funds re-allocated to electrifications. Removed during adjustment budget	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Data loggers x 2 by 31 December 2013	Data loggers x 2 purchased	N/A	Data loggers x 2	N/A	R 30 000.00	R 30 000.00	R 0.00	413538 (Income)	Target not achieved. Data loggers x 2 not purchased due to Financial Constraints	Financial Constraints	To be done in the 2015/2016 financial year	Inter departmental amendment report approval and exco item to Council for approval. Purchase Orders/Requisition; delivery notes.	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Portable transformer testing equipment by 31 December 2013	Set of portable transformer testing equipment purchased	N/A	Portable transformer testing equipment	N/A	R 160 000.00	R 0.00	R 0.00	413540 (Income)	Project Cancelled. Amended to strategic spares. Removed during adjustment	Financial Constraints	To be done in the 2015/2016 financial year	Amended to strategic spares. Removed during adjustment	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase strategic spares by 30 June 2014	Various Strategic Spares purchased	N/A	Strategic Spares	Municipality	R 196 000.00	R 196 000.00	182 984.00	413560 (Income)	Target achieved. Spares purchased	N/A	N/A	Proof of purchase	TECH SERV
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase, install and commission Air conditioner (SCM& Musekwa) by 31 December 2013	15 Air conditioner (SCM& Musekwa) purchased and installed	N/A	Air conditioner (SCM& Musekwa)	Musekwa	R 30 000.00	R 10 000.00	29 810.00	411580 (Income)	Target achieved. Project is completed. 15 Air conditioners (SCM& Musekwa) purchased	N/A	N/A	Tender specs advert evaluation adjudication and appointment of contractor	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
														completion payment certificate	
To provide continuous sustainable and reliable electricity supply	Electrical	To replace air conditioners by 31 June 2014	3 Air conditioner replacements	N/A	Air conditioner replacements	MLM buildings	R 300 000.00		94 433.26	INCOME	Project Cancelled. Air conditioner replacements were removed during adjustment.	Due to financial constraints	To be budgeted for 2015/2016 financial year	Removed during adjustment . Due to financial constraints	<b>TECH SERV</b>
To provide continuous sustainable and reliable electricity supply	Electrical	To purchase Hydraulic crimping tool set by 31 December 2013	Set of Hydraulic crimping tool purchased	N/A	Hydraulic crimping tool set	N/A	R 20 000.00	R 20 000.00	17 543.85	413541 (Income)	Target achieved. Set Hydraulic crimping tool set purchased	N/A	N/A	Purchase Orders/Requisition; delivery notes.	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To tar 3km of Eltivillas Extension 1 street by 31st May 2014	3km of Eltivillas Extension 1 street tarred	N/A	Eltivillas Extension 1 tarring of streets	20	5,335,482.39	5,335,482.39	8 735 235.91	401201 (MIG)	Target achieved. 3km of Eltivillas Extension 1 street tarred	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To upgrade 1.6km road at Tshikota by 31 May 2014	1.6km road at Tshikota upgraded	N/A	Tshikota upgrading of streets	21	1,793,486.90	R 2 159 367.34	3 090 427.44	401202(MIG)	Target achieved. 1.6km roads upgrading is completed. The project has been handed over by the Mayor	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>



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To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To rehabilitate 5.2.km of Waterval street by 31 May 2014	5.2.km of Waterval street rehabilitated	N/A	Waterval streets rehabilitation	16	8,206,221.15	R 5 161 533.15	5 240 637.39	401203(MIG)	Target achieved. 5.2.km of Waterval street rehabilitation is complete. A hand over has been done by the Mayor.	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To rehabilitate 2.3km of street at Eltivillas Business area by 31 March 2014	2.3km of street at Eltivillas Business area rehabilitated	N/A	Rehabilitation of Street, Eltivillas Business area	20	4,450,665.24	R 8 357 679.20	8 346 495.75	401204 (MIG)	Target Achieved. 2.3 km rehabilitation is completed. The project to be handed by the Mayor on the 25th of April 2014	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To construct Mphaila access road and bridge by 31st December 2013	Mphaila access road and bridge constructed	N/A	Mphaila access road and bridge	34	7,915,901.13	7,915,901.13	6 768 899.31	401207 (MIG)	Target achieved. Road and Bridge construction is completed. Practical handover has been done.	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To construct 3km Piesanghoek to Khunda access road by 31 March 2014	3km Piesanghoek to Khunda access road by constructed	N/A	Piesanghoek to Khunda access road	30	11,500,000.00	11,500,000.00	11 987 262.20	401208 (MIG)	Target achieved. 3km Piesanghoek to Khunda access road by constructed	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To construct 3km Sereni Themba to Mashamba post office access road and a bridges by 31 December 2014	3km Sereni Themba to Mashamba post office access road and a bridge constructed	N/A	Sereni Themba to Mashamba post office access road and bridges		7,000,000.00	R 7 233 544.78	7 844 931.20	401209 (MIG)	Target Achieved. 3km of Sereni Themba to Mashamba post office access road and a bridge has been completed.	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To construct 3km Tshivhulana to Tshilaphala access road by 31 March 2014	3km Tshivhulana to Tshilaphala access road constructed	N/A	Tshivhulana to Tshilaphala access road	1	6,500,000.00	6,500,000.00	12 022 462.39	401210 (MIG)	Target achieved. The project is completed in terms of the original scope. The bridge is at 60% (Foundation, Columns)	N/A	N/A	Project progress report and practical completion certificate	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To refurbish 1.6km of Eltivillas CBD streets by 31 March 2014	1.6km of Eltivillas CBD streets refurbished	N/A	Refurbishment of Eltivillas CBD streets (Rehabilitation of Eltivillas CDB and Town Streets - (Phase 2A)	20	6,618,091.61	R 5 025 284.12	4 360 391.59	401248 (MIG)	Target Achieved. 1.6 km is refurbishment is done (Earthwork and base)	N/A	N/A	Project progress report,	<b>TECH SERV</b>

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To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To reseal 2km of streets in Makhado Town(Krogh, Jeppe and Kruger) by 30 June 2014	2km of streets in Makhado Town(Krogh, Jeppe and Kruger) resealed	N/A	Resealing of streets in Makhado Town (Refurbishment of Eltivillas CBD streets (Rehabilitation of Eltivillas CDB and Town Streets - (Phase 2B)	21	6,491,500.00	6,491,500.00	R 0.00	401250 (MIG)	Target Achieved. 2.km refurbishment is done (Earthwork and base)	N/A	N/A	Project progress report,	<b>TECH SERV</b>
To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To construct 0.5km road at Kingfisher N1 intersection by 30 June 2014	0.5km road at Kingfisher N1 intersection constructed	N/A	Kingfisher N1 intersection	20	5,000,000.00	5,000,000.00	R 0.00	401249 (MIG)	The project was taken over by SANRAL	SANRAL wanted to do the project since it intersect with the N1 which is a national road	To receive the project when completed	SANRAL Report on project completion	<b>TECH SERV</b>

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To provide safe and sustainable roads and stormwater services	Roads and Storm Water	To do landscaping at Tshakuma by 30 June 2014	Payment of Service Provider for Tshakuma Landscaping done (R1992753.8)	N/A	Tshakuma Landscaping (Payment)	Tshakuma	N/A	R 1 831 056.70	1 992 753.80	401220 (MIG)	Target Achieved. The service provider for Tshakuma landscaping has been paid (R1992753.8)	N/A	N/A	Proof of payments.	TECH SERV
To provide sustainable forward planning of projects	Roads and Storm Water	To conduct feasibility studies for MIG projects 2014/2015 by 30 June 2014	Feasibility studies for MIG projects 2014/2015 conducted	N/A	Planning( MIG PROJECTS)	Municipal Wide	3,000,000-00	R 800 000.00	R 0.00	401251 (MIG)	Target not achieved. Procurement of consultants is at adjudication stage.	Due to delays in supply chain management	To stick to the SDBIP timelines	Project scope, feasibility studies report, payment certificate and appointment of engineer	TECH SERV
To provide safe and sustainable recreational facility services	Parks and Recreation	To build a community hall at Waterval by 30 June 2014	Community hall at Waterval constructed	N/A	Waterval Community hall	16	5,880,151.58	5,880,151.58	8 198 864.94	4012505(MIG)	Target achieved. Waterval Community hall is completed	N/A	N/A	Project progress report and practical completion certificate	TECH SERV
To provide safe and sustainable recreational facility services	Parks and Recreation	To build a community hall at Dzanani by 30 June 2014	Community hall at Dzanani built	N/A	Dzanani Community hall	35	8,500,000.00	8,500,000.00	8 488 720.92	401206 (MIG)	Target Achieved. Target achieved. Dzanani Community hall is completed	N/A	N/A	Project progress report and practical completion certificate	TECH SERV
To provide safe and sustainable recreational facility services	Parks and Recreation	To upgrade sports facility at Vuwani by 30 June 2014	Sports facility at Vuwani upgraded	N/A	Vuwani upgrading of sports facility	Ward 3	R 1 000 000.00	R 1 000 000.00	351 406.91	401238 (MIG)	Target not achieved. The project is at adjudication stage.	Delays in supply chain processes.	To stick to the SDBIP timelines	Project progress report	TECH SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide safe and sustainable recreational facility services	Parks and Recreation	To upgrade the sports facility at Bungeni by 30 June 2014	Sports facility at Bungeni upgraded	N/A	Bungeni upgrading of sports facility	Bungeni	R 1 000 000.00	R 1 000 000.00	476 072.33	401239 (MIG)	Target not achieved. The project is at adjudication stage.	Delays in supply chain processes.	To stick to the SDBIP timelines	Project progress report,	<b>TECH SERV</b>
To provide quality parks, recreational facilities, dignified cemetery and green environment for our community.	Parks and Recreation	To refurbish and upgrade the town swimming pool by 30 June 2014	Town swimming pool upgraded and refurbished	N/A	Refurbishment & Upgrading of Town swimming pool	Makhado Town	R 500 000.00	R 500 000.00	356 510.00	404084	Target Not Achieved. The upgrading of the swimming pool is not yet completed.	Delay in the delivery of specific cement needed for the swimming pool.	To complete the project in the 2014/2015 since it part of the roll over plan	Project progress report,	<b>COM SERV</b>
To provide quality parks, recreational facilities, dignified cemetery and green environment for our community.	Parks and Recreation	To purchase 6x self-propelled ride- on lawnmowers by 31 December 2013	6x self-propelled ride- on lawnmowers purchased	N/A	6x self-propelled ride- on lawnmowers	Municipal Wide	R 50 000.00	R 50 000.00	-	411994	Target Not Achieved. 6x self-propelled ride- on lawnmowers not purchased	Quotations were too expensive	To be done in 2015/2016 financial year	Proof of purchase	<b>COM SERV</b>
To provide effective cemetery management by 31 March 2014	Public Facilities	To create a cemetery site at Waterval by 31 March 2014	Cemetery site at Waterval created	N/A	Waterval	16	280, 000.00	280, 000.00	32 959.69	400201	Target achieved. The contractor is appointed	N/A	N/A	Project progress report,	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To maintain the municipal infrastructure and buildings	Public Facilities	To construct public toilets at Vuwani Service centre by 30 June 2014	Public toilets at Vuwani Service centre built	N/A	Public Toilets	Vuwani	R 100 000.00	R 100 000.00	4 280.070	40460 1	Target achieved. Public toilets at Vuwani Service centre are completed	N/A	N/A	Project progress report,	<b>TECH SERV</b>
To maintain the municipal infrastructure and buildings	Public Facilities	To construct public toilets at Dzanani township cemetery by 30 June 2014	Public toilets at Dzanani township cemetery built	N/A	Public toilets for Dzanani township cemetery	Dzanani	R 25 000.00	R 25 000.00	12 000.000	40406 2	Target achieved. Public toilets at Dzanani township cemetery are completed	N/A	N/A	Project progress report,	<b>TECH SERV</b>
To maintain the municipal infrastructure and buildings	Buildings and Control	To install blinds curtains (4 x offices) at Musekwa Thusong Centre by 31 March 2014	Blinds curtains installed (4 x offices) at Musekwa Thusong Centre	N/A	Blinds curtains (4 x offices)	Musekwa Thusong Centre	R 5 000.00	R 5 000.00	R 0.00	41158 2	Target not achieved due insufficient amount	Insufficient funds	To be done in the 2015/2016 financial year	Project progress report,	<b>TECH SERV</b>
To maintain the municipal infrastructure and buildings	Buildings and Control	To construct a guardroom at Musekwa Thusong Centre by 30 June 2014	Guardroom constructed	N/A	Guardroom	Musekwa Thusong Centre	R 20 000.00	R 20 000.00	R 0.00	41158 3	Target achieved. guardroom at Musekwa Thusong Centre is fully completed	N/A	N/A	Project progress report,	<b>TECH SERV</b>
To maintain the municipal infrastructure and buildings	Buildings and Control	To install a borehole at Musekwa Thusong Centre by 31 March 2014	Borehole installed	N/A	Borehole	Musekwa Thusong Centre	R 30 000.00	R 30 000.00	R 0.00	41158 4	Target not achieved due insufficient amount	Financial Constraints	To be done in the 2015/2016 financial year	Project progress report,	<b>TECH SERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To maintain the municipal infrastructure and buildings	Buildings and Control	To construct toilets at Bungeni Taxi Rank by 30 June 2014	Bungeni Taxi Rank constructed	N/A	Ablution facilities Bungeni taxi rank	Waterval Region	R 100 000.00	R 100 000.00	42 756.19	40406 3	Target Achieved. Bungeni Taxi Rank is completed	N/A	N/A	Project progress report,	TECH SERV
To maintain the municipal infrastructure and buildings	Buildings and Control	To purchase 1 x 5000L water tanks by 31 December 2013	1 x 5000L water tanks purchased	N/A	1 x 5000L water tanks	Waterval Region	R 9 000.00	R 9 000.00	2 543.86	41159 6	Target achieved. 1 x 5000L water tanks is purchased	N/A	N/A	Proof of purchase	TECH SERV
To maintain the municipal infrastructure and buildings	Buildings and Control	To refurbish Eltivillas public ablution by 31 March 2014	Refurbishment of Eltivillas public ablution	N/A	Refurbishment of Eltivillas public ablution	Eltivillas	R 200 000.00	R 0.00	R 0.00	40408 3	Project cancelled. Taken out during adjustment due to financial constraints	Due to financial constraints	To be done internally in the 2015/2016 financial year	Internal Memorandum	TECH SERV
To maintain the municipal infrastructure and buildings	Buildings and Control	To extend Makhado Civic Centre Extensions by 30 June 2014	Makhado Civic Centre Extensions	N/A	Makhado Civic Centre Extensions	Makhado Civic Centre	R 400 000.00	R 0.00	R 0.00	40410 7	Project cancelled. Taken out during adjustment due to financial constraints	Due to financial constraints	To be done in 2014/2015 financial year	SDBIP and budget 2014/2015	TECH SERV
To maintain the municipal infrastructure and buildings	Buildings and Control	To purchase 1 x Vacuum cleaner machine by 31 March 2014	1 x Vacuum cleaner machine purchased	N/A	Vacuum cleaner machine	Waterval Region	R 2 000.00	R 2 000.00	R 0.00	R 411 599.00	Target achieved. Vacuum cleaners were purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To maintain the	Environ	To purchase 1	1 x Chain saws	N/A	1 x Chain	Waterval	R 5	R 70	R 0.00	41159	Target not	Cashflo	To be	Proof of	COM

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
municipal infrastructure and buildings	mental management	x Chain saws by 31 March 2014	purchased		saws	Region	000.00	000.00		0	achieved. The equipment's will no more be purchased due to cashflow problems	w constraints	planned for 2015/2016 financial year	purchase and delivery note	SERV
To maintain the municipal infrastructure and buildings	Environmental management	To purchase 2 x Grass cutters by 31 March 2014	2 x Grass cutters purchased	N/A	2 x Grass cutters	Waterval Region	R 8 000.00	R 30 000.00	R 0.00	411593	Target not achieved. The equipment's will no more be purchased due to cashflow problems	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To maintain clean, healthier and safe environment for the community.	Waste Management	To review the Integrated Waste Management Plan by 30 June 2014	Integrated Waste Management Plan reviewed by 30 June 2014	Reviewed Integrated Waste Management Plan	Integrated Waste Management Plan	Municipal Wide	Operational	Operational	Operational	N/A	Target not achieved. Service provider busy with collection of waste data.	The service requested for extension of the period	Provision of support on all requests and make follow up.	1. Integrated Waste Management Plan adopted by Council. 2. Council Resolution	COM SERV
To provide quality parks, recreational facilities, dignified cemetery and green environment for our community.	Waste Management	To develop new Landfill site by 30 June 2014	1 New Landfill site developed	Old Landfill site	Development of the new landfill site	Eltivillas	R 3 000 000.00	R 3 000 000.00	2 973 454.44	401228	Target not achieved. 1 New Landfill site is not yet developed Fencing is at 90% done. Guardhouse is completed, Waste disposal cell at 70%.	Workers were on strike	To speed up the process and complete the project by December 2014	Specifications, Appointment letter, Project progress report	COM SERV



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide quality parks, recreational facilities, dignified cemetery and green environment for our community.	Waste Management	To rehabilitate the Landfill site by 31 March 2014	1 Old Landfill site rehabilitated	N/A	Rehabilitation of the existing landfill site	Eltivillas	R 2 500 000.00	R 2 500 000.00	416 296.82	40121 1	Target not achieved. 1 Old Landfill site is not yet rehabilitated. Bush clearing, Digging of holes, Planting of poles on the western side of the landfill and all material purchased.	Due to affordability specific actions were changed from concrete palisade and rasorwire after tender has been awarded.	To ensure that the service provider complete the project within the first quarter of 2014/2015 financial year. Close monitoring of the project.	Specifications, Appointment letter, Project progress report	<b>COMMSERV</b>
To provide quality parks, recreational facilities, dignified cemetery and green environment for our community.	Waste Management	To purchase Refuse Compactor Machine by 31 March 2014	1 Refuse Compactor Machine purchased by 31 March 2014	N/A	Refuse Compactor Machine	Municipal Wide	R 3 000 000.00	R 3 000 000.00	2 631 100.00	41601 3	Target achieved. Goods Delivered.	N/A	N/A	Proof of purchase and delivery note	<b>COMMSERV</b>
To provide quality parks, recreational facilities, dignified cemetery and green environment for our community.	Waste Management	To pay the service provider for construction of Dzanani Transfer Station by 31 December 2014	Service provider for Dzanani Transfer Station paid (R208 329.30)	N/A	Dzanani Transfer Station	Dzanani	R 500 000.00	R 500 000.00	R 0.00	40407 9	Target achieved. The payment of service provider for Dzanani Transfer Station was done (R208 329.30)	N/A	N/A	Project Progress report. Completion certificates	<b>TECHSERV</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To prevent and respond to disaster related incidences and mitigation in partnership with all spheres of government, and other stakeholders	Disaster Management	To review the Disaster Management Policy by 31st March 2014	Reviewed Disaster Management Policy by 31st March 2014	Reviewed Disaster Management Policy by 31st March 2014	Disaster Management Policy was reviewed	Municipal Wide	Operational	Operational	Operational	N/A	Target not achieved. Disaster Management Policy is still at the Policy Committee	The municipality has reconsidered its decision since it playing a coordinating role, so there is no need to develop a policy	Not to continue with the policy anymore	1. A copy of the approved Disaster Policy. 2 Council Resolution	COM SERV
To prevent and respond to disaster related incidences and mitigation in partnership with all spheres of government, and other stakeholders	Disaster Management	To review the Disaster Management Plan and integrate in the IDP by 31December 2014	Reviewed Disaster Management Plan by 31December 2014	Reviewed Disaster Management Plan by 31December 2014	Disaster Management Plan was reviewed and integrated in the IDP	All Wards	Operational	Operational	Operational	N/A	Target achieved. Disaster Management Plan was reviewed and integrated in the IDP	N/A	N/A	1. Approved Disaster Management Plan. 2 Council Resolution	COM SERV
To provide protection services for municipal infrastructure	Security Services	To install 62 CCTV Surveillance Cameras for Civic Centre by 30 June	62 CCTV Surveillance Cameras for Civic Centre installed	42 Cameras	CCTV Surveillance Cameras	Civic Centre	900,000.00	900,000.00	738 002.16	411251	Target achieved. Installation of CCTV camera is completed	N/A	N/A	1. Invoices 2. Contractor appointment	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
		2014													
To render library and Information services to the community	Library Services	To extend the cable from the existing Generator (extension from Civic centre) to library by 31 March 2014	Generator (extension from Civic centre)-cable purchased	N/A	Generator (extension from Civic centre)-cable	Civic Centre	R 20 000.00	R 20 000.00	103.65	41152 4	Target achieved. Generator (extension from Civic centre)-cable completed	N/A	N/A	Quotations and Delivery note	TECH SERV
To render library and Information services to the community	Library Services	To purchase Book shelves ( Musekwa) by 31 March 2014	5 Book shelves ( Musekwa) purchased	N/A	Book shelves ( Musekwa)	Musekwa	R 20 000.00	R 0.00	R 0.00	41152 5	Target not achieved. 5 Book shelves ( Musekwa) were not purchased. Funds transferred to the next financial year. Adjusted during budget adjustment	Due to financial constraints	To be done in 2015/2016 financial year	Adjusted budget 2013/2014	COM SERV
To render library and Information services to the community	Library Services	To purchase Study chairs by 31 March 2014	20 Study chairs purchased	N/A	Study chairs	Musekwa	R 20 000.00	R 50 000.00	R 0.00	41152 6	Target not achieved. 20 Study chairs were not purchased Funds transferred to the next financial year. Adjusted during budget adjustment	Due to financial constraints	To be done in 2015/2016 financial year	Adjusted budget 2013/2014	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To render library and Information services to the community	Library Services	To purchase Library Display shelves (Musekwa) by 31 March 2014	5 Library Display shelves (Musekwa) purchased	N/A	Library Display shelves (Musekwa)	Musekwa	R 10 000.00	R 0.00	R 0.00	412000	Target not achieved. 5 Library Display shelves (Musekwa) were not purchased. Funds transferred to the next financial year. Adjusted during budget adjustment	Due to financial constraints	To be done in 2015/2016 financial year	Adjusted budget 2013/2014	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To construct Admin Block by 30 June 2014	5 roomed Admin Block constructed	N/A	Admin Block	Makhado	R 1 000 000.00	R 1 000 000.00	R 0.00	404075	Target not achieved. 5 roomed Admin Block was not constructed Due to delays in approval of the building plan	Delays in approval of the building plan	To utilise MIG fund in the financial year 2015/2016	Proof of purchase and delivery note, Project report	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase Portable roads accident signs by 31 December 2013	20 Portable roads accident signs purchased	N/A	Portable roads accident signs	Makhado	R 100 000.00	R 100 000.00	41 760.00	411536	Target achieved. 20 Portable roads accident signs purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To upgrade water services for animal pound by 30 June 2014	2 water drinking trots for animal pound constructed	N/A	Upgrade water services for animal pound	Makhado	R 60 000.00	R 100 000.00	6 906.55	40407 4	Target achieved. 2 water drinking trots for animal pound constructed	N/A	N/A	Proof of purchase and delivery note, Project report	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase k53 testing poles and base fitment by 30 June 2014	60 k53 testing poles and base fitment purchased	N/A	k53 testing poles and base fitment	Makhado	R 60 000.00	R 150 000.00	R 0.00	41153 7	Target not achieved. 60 k53 testing poles and base fitment were not purchased due to financial constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase 2 x Special garage door for VTS by 31 March 2014	2 x Special garage door for VTS purchased	N/A	2 x Special garage door for VTS	Makhado	R 80 000.00	R 120 000.00	R 0.00	41154 0	Target not achieved. 2 x Special garage door will not be purchased due to cashflow constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase 2 x Hoover Machines by 31 December 2013	2 x Hoover Machines purchased	N/A	2 x Hoover Machines	Makhado	R 2 000.00	R 2 000.00	R 0.00	41154 4	Target achieved. 2 x Hoover Machines purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase 6 x Security Doors by 31 December 2013	6 x Security Doors purchased	N/A	6 x Security Doors	Dzanani	R 15 000.00	R 15 000.00	R 0.00	41154 5	Target not achieved. 6 x Security Doors will no more be purchased due to cashflow constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase Portable road accident Signs by 31 December 2013	Set of Portable road accident Signs	N/A	Portable road accident Signs	Makhado	R 100 000.00	R 100 000.00	R 0.00	41153 6	Target Achieved. Set of Portable road accident Signs were purchased	N/A	N/A		COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase 2 x Scrubbing machines by 31 December 2013	2 x Scrubbing machines purchased	N/A	2 x Scrubbing machines	Makhado	R 1 500.00	R 17 000.00	R 0.00	41154 6	Target Achieved. 2 x Scrubbing machines purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	Special Garage Roller Doors for VTS ( supply and fit) by 31 March 2014	2 Special Garage Roller Doors for VTS ( supply and fit) purchased	N/A	Special Garage Roller Doors for VTS ( supply and fit)	Makhado	R 50 000.00	R 85 000.00	R 0.00	41154 9	Target not achieved. 2 Special Garage Roller Doors for VTS ( supply and fit) were not purchased due to budgetary constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase Testing poles and base fittings by 30 June 2014	20 Testing poles and base fittings purchased	N/A	Testing poles and base fittings	Makhado	R 20 000.00	R 50 000.00	R 0.00	411550	Target not achieved. 20 Testing poles and base fittings purchased due to budgetary constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase Filling cabinets 31 December 2013	7 Filling cabinets purchased	N/A	Filling cabinets	Dzanani	R 10 000.00	R 10 000.00	R 0.00	411553	Target Achieved. 7 Filling cabinets purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase Giant Photocopier Machine by 30 June 2014	1 Giant Photocopier purchased	N/A	Giant Photocopier	Makhado	R 50 000.00	R 50 000.00	R 0.00	411532	Target not achieved. 1 Giant Photocopier was not purchased The municipality has since bought multipurpose photocopiers	The municipality bought multipurpose photocopiers	All departments to use the multipurpose copier machines purchased. There is no more need to purchase a the giant photocopier	Proof of purchase and delivery note	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase 1 x Computer Printer/pound officer by 30 June 2014	1 x Computer Printer purchased	N/A	1 x Computer Printer	Makhado	R 20 000.00	R 20 000.00	#VALUE!	41153 4	Target not achieved. 1 x Computer Printer was not purchased due to budgetary constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Makhado Traffic Station)	To purchase a 1 x Laptop (Traffic Officer) by 30 June 2014	1 x Laptop purchased	N/A	1 x Laptop	Makhado	R 10 000.00	R 10 000.00	R 0.00	41154 1	Target achieved. 1 x Laptop purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Dzananzi)	To purchase 1 x TCS Computer and printer by 30 June 2014	1 x TCS Computer and printer purchased	N/A	1 x TCS Computer and printer	Makhado	R 10 000.00	R 10 000.00	R 0.00	41154 3	Target not achieved. 1 x TCS Computer and printer was not purchased due to budgetary constraints	To be planned for 2015/2016 financial year	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Vuwani Testing Station)	To purchase Testing poles and base fittings 30 June 2014	20 Testing poles and base fittings purchased	N/A	Testing poles and base fittings	Vuwani	R 10 000.00	R 3 831.00	R 0.00	41155 4	Target not achieved. 20 Testing poles and base fittings were not purchased due to budgetary constraints	Cashflow constraints	To be planned for 2015/2016 financial year	Proof of purchase and delivery note	COM SERV



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Vuwani Testing Station)	To purchase Filling steel cabinet by 31 December 2013	7 Filling steel cabinet purchased	N/A	Filling steel cabinet	Vuwani	R 15 000.00	R 19 500.00	R 0.00	41155 6	Target Achieved. 7 Filling steel cabinet purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Vuwani Testing Station)	To purchase 2 x Heavy duty fan for waiting area by 31 December 2013	2 x Heavy duty fan for waiting area purchased	N/A	2 x Heavy duty fan for waiting area	Vuwani	R 5 000.00	R 15 000.00	1 228.07	41155 8	Target Achieved. 2 x Heavy duty fan for waiting area purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Vuwani Testing Station)	To purchase Traffic tent by 31 December 2013	4 Traffic tent purchased	N/A	Traffic tent	Vuwani	R 6 000.00	R 6 000.00	5 997.00	41155 9	Target Achieved. 4 Traffic tent purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Vuwani Testing Station)	To purchase Money counting machine by 31 December 2013	1 Money counting machine purchased	N/A	Money counting machine	Vuwani	R 5 000.00	R 66 679.00	5 850.00	41156 0	Target Achieved. 1 Money counting machine purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source /Vote No	Progress Made	Challenges	Interventions or Measures for Improvement	Portfolio of Evidence	Responsible Person
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing (Vuwani Testing Station)	To purchase Testing pit chain by 31 December 2013	Testing pit 1 chain purchased	N/A	Testing pit chain	Vuwani	R 3 000.00	R 3 000.00	R 0.00	41156 1	Target Achieved. Testing pit chain purchased	N/A	N/A	Proof of purchase and delivery note	COM SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing	To install motor on five vehicle gates by 30 June 2014	Motor on five vehicle gates installed	N/A	Install motor on five vehicle gates	Municipal Wide	R 25 000.00	R 0.00	R 0.00	41199 5	Target not achieved. Motor on five vehicle gates were not installed due to budgetary constraints	Financial Constraints	To be done in the 2015/2016 financial year	Proof of purchase and delivery note	TECH SERV
To provide effective and efficient Traffic, Licensing and Security services	Traffic and Licensing	To purchase portable traffic signs by 31 March 2014	Set of Traffic signs (portable) purchased	N/A	Traffic signs	Dzanani	R 10 000.00	R 10 000.00	R 0.00	41157 9	Target achieved. Set of Traffic signs (portable) were not purchased due to budgetary constraints	N/A	N/A	Proof of purchase and delivery note	COM SERV

### ANNEXURE 3: LOCAL ECONOMIC DEVELOPMENT

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location / Ward	Budget	Budget Adjustment	Expenditure	Funding Source/ Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
Creation of long term sustainable and integrated economic growth and rural development.	Local Economic Development	To hold 4 LED and Tourism Forum meetings by 30th June 2014	# of LED and Tourism Forum meetings by 30th June 2014	4	4	LED Forum meetings	All Wards	Operational	Operational	Operational	N/A	Target achieved. 4 LED Forum meeting held	N/A	N/A	Meetings held according to schedule, Minutes, Attendance register, Proof of implementation of forum resolution	MM and PED
Creation of long term sustainable and integrated economic growth and rural development.	Local Economic Development	To support 3 SMME projects in the communities by 30 June 2014	# of projects supported by 30th June 2014	3	N/A	N/A	All wards	Operational	Operational	Operational	N/A	Target achieved. 3 projects are supported	N/A	N/A	Reports and register of projects	PED

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Base-line	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
Creation of long term sustainable and integrated economic growth and rural development.	Local Economic Development	To do planning for Tshakhuma fruit market revitalisation by 30 June 2014	1	1	Tshakhuma fruit market revitalization project	Tshakhuma	100000	100000	98 00.00	404078	Target achieved. Designs for Tshakhuma fruit market revitalization is completed	N/A	N/A	Project scope plan, Contractor appointment letter, payment certificate and Handover certificate	PED
Creation of long term sustainable and integrated economic growth and rural development.	Local Economic Development	To do planning for Makhado N1 Information and Caravan Recreational / Entertainment centre revitalisation by 30 June 2014	1	1	Makhado N1 Information and Caravan Recreational / Entertainment centre	Makhado	100000	100000	R 0.00	404080	Target not achieved. To rate as not applicable.	Designs submitted were of poor quality	To be implemented in the 2014/2015 financial year. Project to be readvertised	Project scope plan, Contractor appointment letter, payment certificate and Handover certificate	PED

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Base-line	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
Creation of long term sustainable and integrated economic growth and rural development.	Local Economic Development	To purchase a 1.4 Engine capacity by 30 June 2014	1.4 Engine capacity purchased	N/A	1 X 1.4 Engine Capacity	Makhado	150000	Target not achieved due to budgetary constraints	R 0.00	Target not achieved due to budgetary constraints	Target not achieved due to budgetary constraints	Due to budgetary constraints	There is no more a need for the vehicle	Purchase order, Proof of purchase	PED
Creation of long term sustainable and integrated economic growth and rural development.	Local Economic Development	To purchase a Digital Camera by 30 June 2014	Digital Camera purchased	N/A	Digital Camera	Makhado	3000	Target not achieved due to budgetary constraints	R 0.00	Target not achieved due to budgetary constraints	Target not achieved due to budgetary constraints	Due to budgetary constraints	There is no more a need for the camera	Purchase order, Proof of purchase	PED

## ANNEXURE 4 MUNICIPAL FINANCE MANAGEMENT AND VIABILITY

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/ Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To effectively manage the financial affairs of the municipality	Expenditure Management	To ensure 100% spending on Capital budget by 30th June 2014	% of capital budget spent as approved by Council by 30th June 2014	100%	100%	Expenditure Management	N/A	Operational	Operational	Operational	MIG and INCOME	Target achieved. Original CAPEX: 86% Revised CAPEX after additional MIG R45.3ml received in march 2014 : 67.91 (122 460 429.48/ 180 319 128.29)	Slow progress in electricity project implementation	To develop a rollover plan that will monitor the projects.	Project Progress Report. Approved Budget vs Actual Expenditure reports	MM
To effectively manage the financial affairs of the municipality	Expenditure Management	To reconcile 60 main accounts by 30 June 2014	# of main reconciliation accounts compiled by 30th June 2014	60	60	N/A	All wards	Operational	Operational	Operational	N/A	Target achieved. 60 main reconciliation accounts compiled	N/A	N/A	1. Salaries & Wages 2. Vat 201 3. Retentions 4. Creditors Listing 5. Bank Reconciliation	CFO
To effectively manage the financial affairs of the municipality	Revenue Management	To collect 76% of revenue by 30 June 2014	% revenue collected by 30 June 2014	76%	72%	N/A	All wards	Operational	Operational	Operational	N/A	Target achieved. 87% revenue is collected	N/A	N/A	Billing and collection/ payment Reports	CFO

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
municipality																
To effectively manage the financial affairs of the municipality	Budget and Reporting	To submit 12 section 71 reports to Treasury by 30 June 2014	# of section 71 reports submitted to Treasury by 30 June 2014	12	12	N/A	N/A	Operational	Operational	Operational	N/A	Target achieved. 12 section 71 report compiled and submitted (9 accumulatively)	N/A	N/A	Email acknowledgment delivery receipt within prescribed timeframe	CFO
To effectively manage the financial affairs of the municipality	Supply chain Management	To adjudicate 100% of tenders within 90 days of closure period	% of tenders adjudicated within 90 days of closure period	100%	100%	N/A	All wards	Operational	Operational	Operational	N/A	Target achieved. 100% (32/32) tenders were adjudicated within 90 days of closure period	N/A	N/A	# of Tenders to be advertised vs actual Tender adjudication reports	CFO
To effectively manage the financial affairs of the municipality	Supply chain Management	To compile 12 monthly inventory reports by 30 June 2014	# of monthly inventory reports compiled by 30 June 2014	12	9	N/A	N/A	Operational	Operational	Operational	N/A	Target achieved. 12 inventory reports were done.	N/A	N/A	Certified Inventory reports	CFO

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Asset Management	To verify assets by 30th June 2014	% assets verified by 30th June 2014	100%	100%	Asset Verification	Municipal Wide	Operational	Operational	Operational	N/A	Target achieved. 100% asset was verified.	N/A	N/A	Verification report	CFO
To provide good governance and public participation	Asset Management	To reconcile assets register in the general ledger	# of main reconciliation compiled by 30th June 2014	12	12	N/A	All wards	Operational	Operational	Operational	N/A	Target achieved. 12 main reconciliation compiled	N/A	N/A	Reconciliation Accounts	CFO

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To effectively manage the financial affairs of the municipality	Revenue Management Review	To review the Revenue management instruments by 30 April 2014	Revenue management instruments reviewed	Revenue management instruments was reviewed	Revenue management instruments review	All wards	Operational	Operational	Operational	N/A	Target achieved. Revenue management instruments reviewed	N/A	N/A	Reviewed Revenue Management instruments and Council Resolution	CFO



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To effectively manage the financial affairs of the municipality	Budget and Reporting	To table the draft & final budget to council by 31 March & 31 May 2014	Draft & Final budget tabled	Draft & Final budget tabled	N/A	Draft IDP	Operational	Operational	Operational	N/A	Target achieved. Draft & Final budget tabled	N/A	N/A	Council Resolution and proof of compliance to MFMA timeframe	<b>CFO</b>
To effectively manage the financial affairs of the municipality	Budget and Reporting	To compile financial statements and submit to AG by 31 August 2013	Financial statements compiled and submitted to AG	Financial statements compiled and submitted to AG	Financial statements		Operational	Operational	Operational	N/A	Target achieved. Financial statements compiled and submitted to AG	N/A	N/A	Pre-audited Financial statements	<b>CFO</b>
To effectively manage the financial affairs of the municipality	Budget and Reporting	To submit the Mid-year Budget adjustment report to Treasury by 31 March 2014	Mid-year Budget adjustment report submitted to Treasury	Mid-year Budget adjustment report submitted to Treasury	Mid-year Budget adjustment report	N/A	Operational	Operational	Operational	N/A	Target achieved. Mid-year Budget adjustment report submitted to Treasury	N/A	N/A	Council Resolution	<b>CFO</b>

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To effectively manage the financial affairs of the municipality	Supply Chain Management	To purchase the Mayor's vehicle by 30 September 2013	Mayors Vehicle Purchased	N/A	Mayors Vehicle	N/A	R 900 000.00	R 676 482.12		414522	Target achieved. Mayors Vehicle Purchased	N/A	N/A	Proof of purchase, delivery note	MM
To effectively manage the financial affairs of the municipality	Supply Chain Management	To purchase the Speaker's vehicle by 30 September 2013	Speaker's Vehicle Purchased	N/A	Speaker's Vehicle	N/A	0	R 644 424.53	-	414523	Target achieved. Speaker's Vehicle Purchased	N/A	N/A	Proof of purchase, delivery note	MM
To effectively manage the financial affairs of the municipality	Supply Chain Management	To purchase 9 x High back cashier for income section by 31 December 2013	9 x High back cashier (Income Section) Purchased	N/A	9 x High back cashier (Income Section)	N/A	R 36 000.00	R 36 000.00	-	411571	Target achieved. 9 x High back cashier (Income Section) Purchased	N/A	N/A	Proof of purchase and delivery note	CFO

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To effectively manage the financial affairs of the municipality	Supply Chain Management	To purchase 5 x Note counter with fake detection for Income Section by 31 December 2013	Note counter with fake detection x 5 (Income Section) Purchased	N/A	Note counter with fake detection x 5 (Income Section)	N/A	R 199 500.00	R 199 500.00	10 000.00	411572	Target achieved. Note counter with fake detection x 5 (Income Section) Purchased	N/A	N/A	Proof of purchase and delivery note	CFO
To effectively manage the financial affairs of the municipality	Supply Chain Management	To purchase 7 x High back with plastic for Income Section by 31 December 2013	High back with plastic x7 (Income Section) Purchased	N/A	High back with plastic x7 (Income Section)	N/A	R 2 000.00	R 2 000.00	-	411573	Target achieved. High back with plastic x7 (Income Section) Purchased	N/A	N/A	Proof of purchase and delivery note	CFO
To effectively manage the financial affairs of the municipality	Supply Chain Management	To purchase a 4 in 1 photocopy machine for Budget Office by 31 December 2013	4 in 1 photocopy machine Purchased	N/A	4 in 1 photocopy machine	N/A	R 115 265.00	R 115 265.00	-	411570	Target achieved. 4 in 1 photocopy machine Purchased	N/A	N/A	Proof of purchase and delivery note	CFO

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/ Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/ Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To effectively manage the financial affairs of the municipality	Supply Chain Management	Top purchase 2 x Highback chairs for Computer Room by 31 December 2013	2 x Highback chairs (Computer Room) Purchased	N/A	2 x Highback chairs (Computer Room)	N/A	R 5 000.00	R 5 000.00	-	412002	Target achieved. 2 x Highback chairs (Computer Room) Purchased	N/A	N/A	Proof of purchase and delivery note	<b>CFO</b>

## ANNEXURE A5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Risk Management	To hold 4 risk management committee meetings by 30th June 2014	# of Risk management committee meetings held by 30th June 2014	4	N/A	N/A	Operational	Operational	Operational	010/26005	<b>Target achieved. 4 meetings held on the 17 June 2014</b>	N/A	N/A	Risk Committee Meetings Planned vs Actual meetings held & Minutes/attendance register	MM
To provide good governance and public participation	Risk Management	To ensure 100% mitigations and address by 30 June 2014	% of risks mitigated and addressed by 30 June 2014	100%	5	N/A	Operational	Operational	Operational	N/A	Target achieved. 100% (48/48) are being addressed . 21 are have improved and 27 are still in progress	N/A	N/A	Proof of risk mitigation actions taken per risk resolved & quarterly reports with clear deliverables where applicable	ALL DIRECTORS
To provide good governance and public participation	Fraud and Anti - Corruption	To process 100% fraud and anti-corruption cases by 30th June 2014	% of Fraud and Anti - Corruption cases processed by 30th June 2014	100% (# of cases processed /total cases registered)	N/A	N/A	Operational	Operational	Operational	010/26005	Target Achieved. There no cases received in the whole financial year	N/A	N/A	Case Register, Case Reports & quantifiable work-in-progress reports	MM

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Internal Auditing	To develop an Internal Audit Charter, Audit and Performance Audit Charter and submit to council for approval by 30th June 2014	Internal Audit Charter, Audit and Performance Audit Charter developed and submitted to council for approval by 30th June 2014	Internal Audit Charter, Audit and Performance Audit Charter developed and submitted to council for approval by 30th June 2014	Internal Audit Charter, Audit and Performance Audit Charter developed and submitted to council for approval by 30th June 2014	N/A	Operational	Operational	Operational	010/26005	<b>Target not achieved. Draft</b> Charters are available for consideration by Audit Committee and Council	N/A	N/A	Approved Audit and Performance Audit Committee and Internal Audit Charters, Council resolutions	MM
To provide good governance and public participation	Internal Auditing	To develop the three (3) year Internal Audit rolling plan and Annual plan by 30th June 2014	Approved three (3) year Internal Audit rolling plan and Annual plan	Approved three (3) year Internal Audit rolling plan and Annual plan	Approved three (3) year Internal Audit rolling plan and Annual plan	N/A	Operational	Operational	Operational	010/26005	Target not achieved. Draft Three (3) year Internal Audit rolling plan and Annual plan are available for consideration by Audit Committee and Council	N/A	N/A	Approved three (3) year Internal Audit rolling plan and Annual plan, Council Resolution	MM

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Internal Auditing	To implement that Internal Audit Plan by 30th June 2014	% implementation of the Approved Internal Audit Plan by 30th June 2014	100% (13/13)	100%	N/A	Operational	Operational	Operational	010/26005	Target achieved 100% (5/5) project planned were finalised.	N/A	N/A	Internal Audit Progress Report to Audit Committee	MM
To provide good governance and public participation	Internal Auditing	To organise 7 Audit and Performance Audit Committee meetings by 30th June 2014	# of Audit and Performance Audit Committee meetings held.	7	7	N/A	Operational	Operational	Operational	010/26005	Target achieved 7 Special Audit Committee meeting on the 28 May 2014	Commitment by key stakeholders	To stick to the action plan and timelines	Minutes, Attendance register and Reports	MM
To provide good governance and public participation	Internal Auditing	To submit 4 Audit and Performance Audit Committee Reports to Council by 30th June 2014	# of Audit and Performance Audit Committee Reports submitted to Council	4	4	N/A	Operational	Operational	Operational	010/26005	Target not Achieved. The unit is busy with compilation of the report	N/A	N/A	Council Resolutions and Reports	MM

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Internal Auditing	To organise 8 Audit Steering Committee meetings by 31 December 2013	# of Audit Steering Committee meetings held.	8	9	N/A	Operational	Operational	Operational	010/26005	8 Audit Steering Committee meetings held.	N/A	N/A	Minutes, Attendance register and Reports	MM
To provide good governance and public participation	Internal Auditing	To organise 6 OPCA meetings by 310TH June 2014	# of OPCA meetings held.	6	7	N/A	Operational	Operational	Operational	010/26005	<b>Target Achieved</b> 4 OPCA Meetings held.	N/A	N/A	Minutes, Attendance register and Reports	MM
To provide good governance and public participation	Internal Auditing	# of Report on the Assessment of IAA and APAC submitted to Council	# of Report on the Assessment of IAA and APAC submitted to Council	2	2	N/A	Operational	Operational	Operational	010/26005	<b>Target Achieved</b> 2 Reports compiled and submitted for noting in the next council meeting	N/A	N/A	Reports and Council resolution	MM



Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Council Services	To organise 4 ordinary council meeting by 30 June 2014	# of Council meeting convened by 30th June 2014	4	8	N/A	Operational	Operational	Operational	N/A	Target achieved . 4 Council meetings held	N/A	N/A	Approved council resolution and Notice of Council meetings	CORP SERV
To provide good governance and public participation	Council Services	To organise 24 EXCO meetings by 30th June 2014	# of Executive Committee Meetings convened by 30th June 2014	24	24	N/A	Operational	Operational	Operational	N/A	Target achieved. 24 EXCO meetings held	N/A	N/A	Approved council resolution and notice of EXCO meetings	CORP SERV
To provide good governance and public participation	Council Services	To organise 60 Portfolio Committee Meetings by 30 June 2014	# of Portfolio Committee Meetings convened by 30 June 2014	60	65	N/A	Operational	Operational	Operational	N/A	Target achieved. 65 Portfolio committee meetings held	N/A	N/A	Approved council resolution and notice of portfolio meetings	CORP SERV
To provide good governance and public participation	By Laws and Policies	To review 12 By-Laws by 30 June 2014	# of By-Laws reviewed by 30 June 2014	12	13	All wards	Operational	Operational	Operational	N/A	Target achieved . 1 Municipal by -laws promulgated. The other two are with the printers	N/A	N/A	Council Resolutions Government Gazette Notice and attendance Register	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
											waiting for payment				
To provide good governance and public participation	Public Participation	To organise 1 Public Hearing Committee Meeting by 30 June 2014	# of Public Hearing Committee Meeting held by 30 June 2014	1	1	All wards	Operational	Operational	Operational	N/A	Target achieved. 1 public participation meeting was held through IDP consultation processes.	N/A	N/A	Attendant Register and Minutes	CORP SERV
To provide good governance and public participation	Communication	To organise 4 imbizos by 30th June 2014	# of imbizos organised by 30th June 2014	4	6	All wards	Operational	Operational	Operational	N/A	Target Achieved. 4 imbizos organised	N/A	N/A	Notices, Attendance Register, Advertisement, Inputs List	CORP SERV
To provide good governance and public participation	Communication	To develop Municipal Service Standards by 30th June 2014	Municipal Service Standards developed by 30th June 2014	Municipal Service Standards developed	N/A	All wards	Operational	Operational	Operational	N/A	Target achieved. Service Standard is submitted to Council for approval	N/A	N/A	Approved Service Standards	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective	Key Performance Indicators	Annual Performance Targets	Baseline	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Communication	To review the communication strategy by 30th June 2013	Communication strategy reviewed	Communication strategy reviewed	Communication strategy reviewed	All wards	Operational	Operational	Operational	N/A	Target achieved. Communication Strategy is reviewed and submitted to Council for approval	Delays in receiving response.	Effective communication	Approved Communication Strategy, Council Resolution, Invitations	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Information Technology	To purchase a Printer for Secretary: Speaker's office by 30 September 2013	Printer : Secretary speaker's office	N/A	Printer : Secretary speaker's office	Civic Centre	R 3 000.00	R 3 000.00	-	411530	Target achieved. Printer purchased	N/A	N/A	Proof of purchase , delivery note	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Information Technology	To purchase Office Equipment(Laptops ,printers ,desktops) by 31 March 2014	Office Equipment(Laptops ,printers ,desktops) purchased	N/A	Office Equipment(Laptops ,printers ,desktops)	Civic Centre	R 100 000.00	R 100 000.00	115 958.40	411203	Target achieved. equipment's purchased	N/A	N/A	Minutes of steering committee, Specifications, Advertisement, appointment letter, proof of purchase and delivery note.	CORP SERV
To provide good governance and public participation	Information Technology	To purchase High volume printer for agendas by 31 December 2013	High volume printer for agendas purchased	N/A	High volume printer for agendas	Civic Centre	R 15 000.00	R 15 000.00	-	411507	Target achieved. High Volume printers were purchased	N/A	N/A	Appointment letter and lease agreement	CORP SERV
To provide good governance and public participation	Information Technology	To purchase High volume scanner /printer/copier combination by 30 June 2014	High volume scanner /printer/copier combination purchased	N/A	High volume scanner /printer/copier combination	Civic Centre	R 10 000.00	R 10 000.00	-	411508	Target achieved. High Volume printers include the scanners were purchased	N/A	N/A	Appointment letter and lease agreement	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Information Technology	To purchase 4 in 1 copier machine by 30 June 2014 (Buildings and Control)	4 in 1 copier machine purchased	N/A	4 in 1 copier machine	Waterval Region	R 14 000.00	R 14 000.00	-	411597	Target achieved. High Volume printers include the photocopier were purchased	N/A	N/A	Proof of purchase and delivery note	CORP SERV
To provide good governance and public participation	Information Technology	To purchase Steel cabinet for business by 31 March 2014 (Buildings and Control)	Steel cabinet for business purchased	N/A	Steel cabinet for business	Waterval Region	R 5 000.00	R 20 000.00	1 794.00	411598	Target achieved. Steel cabinet for business purchased	N/A	N/A	Proof of purchase and delivery note	CORP SERV
To provide good governance and public participation	Risk Management	To conduct risk strategic assessment by 30 June 2014	Strategic risks assessment done	Strategic risks assessment done	Strategic Risk Management	N/A	Operational	Operational	Operational	INCOME	<b>Target Achieved</b> Strategic risks assessment conducted and presented to Risk Committee	N/A	N/A	Strategic risk assessment report	MM

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Risk Management	To review the Risk Management Policy by 30 June 2014	Reviewed Risk Policy	Risk Policy	Review of the Risk Policy	N/A	Operational	Operational	Operational	INCOME	<b>Target Achieved</b> Risk Management Policy reviewed and presented to Risk Committee	N/A	N/A	Reviewed Risk Management Policy, Council Resolution	MM
To provide good governance and public participation	Fraud and Anti - Corruption	To review the Anti-Fraud and Corruption Policy by 30 June 2014	Anti-Fraud and Corruption Policy reviewed	Anti-Fraud and Corruption Policy	Anti-Fraud and Corruption Policy	N/A	Operational	Operational	Operational	INCOME	<b>Target Achieved</b> Anti-Fraud and Corruption Policy reviewed and presented to Risk Committee	N/A	N/A	Reviewed Anti-Fraud and Corruption Policy, Council Resolution	MM
To provide good governance and public participation	By Laws and Policies	To develop the Access to information manual by 31 December 2013	Develop access to information Manual	N/A	By Laws and Policies	N/A	Operational	Operational	Operational	INCOME	Target achieved. Access to information manual	N/A	N/A	Council Resolutions Government Gazette Notice and attendance Register	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Auxiliary Services	To procure office furniture by 30 June 2014	Office furniture purchased	N/A	Procurement of furniture for Councillors and Employees	Civic Centre	R500 000.00	R 650 000.00	-	411204	Target not achieved. There were delays in procurement processes	Delays in procurement processes	Project to be done in 2014/2015	Proof of purchase, Council Resolution	CORP SERV
To provide good governance and public participation	Auxiliary Services	To purchase 1 X 1.4 Engine Capacity Bakke by 30 June 2014	1 X 1.4 Engine Capacity Bakkie purchased	N/A	1 X 1.4 Engine Capacity Bakkie	Civic Centre	R 150 000.00	R 150 000.00	-	414508	Target not achieved. The bakkie will no more be purchased.	The municipality took a strategic decision to outsource fleet	To outsource fleet	Specifications, Advertisement, appointment letter, proof of purchase and delivery note.	CORP SERV
To provide good governance and public participation	Auxiliary Services	To purchase Hand held two way communication radio x 2 by 30 June 2014	Hand held two way communication radio x 2 purchased	N/A	Hand held two way communication radio x 2	Civic Centre	R 3 000.00	R 3 000.00	-	411513	Target achieved. Radios were purchased	N/A	N/A	Proof of purchase and delivery note	CORP SERV
To provide good governance and public participation	Auxiliary Services	To purchase Urns 20 Litre x 3 by 30 June 2014	Urns 20 Litre x 3 purchased	N/A	Urns 20 Litre x 3	Civic Centre	R 2 000.00	R 2 000.00	-	411515	Target not achieved. Urns were not purchased	No need for urns anymore	The project will not be applicable anymore	Proof of purchase and delivery note	CORP SERV

Strategic Development Objective	Priority Issue (Programmes)	Measurable Objective/Key Performance Indicators	Annual Performance Targets	Baseline	Project Name	Location/Ward	Budget	Budget Adjustment	Expenditure	Funding Source/Vote No	Progress Made	Challenges	Interventions	Portfolio of Evidence	Responsible Person
To provide good governance and public participation	Communications	To upgrade Municipal Call Centre by 30 June 2014	Upgraded municipal call centre purchased	N/A	Upgrading of Municipal Call Centre	Civic Centre	R300000.00	R 300000.00	153056.45	411504	Target achieved. Call centre is functional	N/A	N/A	Project delivery certificates	CORP SERV
To provide good governance and public participation	Communications	To purchase Video camera by 30 June 2014	Video camera purchased	N/A	Video camera	Civic Centre	R 10000.00	R 20000.00	20289.47	411519	Target achieved. Video cameras purchased	N/A	N/A	Proof of purchase and delivery note	CORP SERV
To provide good governance and public participation	Communications	To purchase Digital camera by 30 June 2014	Digital camera (photos) purchased	N/A	Digital camera (photos)	Civic Centre	R 10000.00	R 7894.73	7894.73	411520	Target achieved. Digital camera (photos) purchased	N/A	N/A	Proof of purchase and delivery note	CORP SERV
To provide good governance and public participation	Communications	To purchase TVs x 3 by 31 December 2013	TVs x 3 purchased	N/A	TVs x 3	Civic Centre	R 30000.00	R 40000.00	25964.91	411521	Target achieved. TVs x 3 purchased	N/A	N/A	Proof of purchase and delivery note	CORP SERV



ANNEXURE A 8 SERVICE PROVIDER PERFORMANCE FOR 2013/2014 FINANCIAL YEAR

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
36/2010	Rehabilitation of Eltivillas Business area	TM Africa Engineers	MIG	09-Jul-10	01-Nov-13	completed	none	5	5			Good management	Technical Services
39/2012	Rehabilitation of Eltivillas Business area	Splash splash construction	MIG	22-Feb-13	01-Nov-13	completed	none	0	0			The quality of work is good and complied with specifications	Technical Services
40/2010	Eltivillas Ext. Street surfacing Phase 2	African Blue Eagle Consulting	MIG	09-Jul-10	30-Jun-14	completed	none	5	5	4	4	Good management	Technical Services
31/2012	Eltivillas Ext. Street surfacing Phase 2	Mposicon Building Construction	MIG	14-Dec-12	30-Jun-14	completed	none	0	5	4	5	The quality of work is good and complied with specifications	Technical Services
41/2010	Tshikota Rehabilitation and upgrading of streets Phase 2	Mont Consulting Engineers	MIG	09-Jul-10	22-Aug-13	completed	none	5				Good management	Technical Services
30/2012	Tshikota Rehabilitation and upgrading of streets Phase 2	Immorial Building construction	MIG	14-Dec-12	22-Aug-13	completed	none	5	0			The quality of work is good and complied with specifications	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
29/2011	Piesanghoek to Khunda Road	Tshashu Consulting Enginners	MIG	06-Mar-12	12-Jun-14	completed	none	4	4	5	4	Good management	Technical Services
49/2012	Piesanghoek to Khunda Road	Ram 77 / capstan trading JV	MIG	05-Mar-13	12-Jun-14	completed	none	5	4	4	4	The quality of work is good and complied with specifications	Technical Services
30/2011	Waterval Streets Rehabilitation	Infraburo Consulting (Pty) LTD	MIG	06-Mar-12	30-Aug-13	completed	none	5				Good management	Technical Services
17/2012	Waterval Streets Rehabilitation	David Diva Construction	MIG	26-Sep-12	30-Aug-13	completed	none	5				The quality of work is good and complied with specifications	Technical Services
31/2011	Dzanani Community hall Construction	TM Africa Engineers	MIG	06-Mar-12	31-Mar-14	completed	none	5	5	5		Good management	Technical Services
38/2012	Dzanani Community hall Construction	FGN Construction and Plant hire	MIG	15-Mar-13	31-Mar-14	completed	none	4	5	4		The quality of work is good and complied with specifications	Technical Services
32/2011	Mphaila Access road and Bridge	Morula Consulting Engineers	MIG	06-Mar-12	23-Nov-13	completed	none	5	5			Good management	Technical Services
29/2012	Mphaila Access road and Bridge	Mkhacani Construction	MIG	14-Dec-12	25-Nov-13	completed	none	5	5			The quality of work is good and complied with specifications	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
33/2011	Sereni thema to Mashamba post office road	Mvelelo Project Management	MIG	06-Mar-12	30-Mar-14	completed	none	5	5	5		Good management	Technical Services
18/2012	Sereni thema to Mashamba post office road	Muswobi Building Construction	MIG	26-Sep-12	30-Mar-14	completed	none	3	4	4		The quality of work is good and complied with specifications	Technical Services
34/2011	Tshivhulana to Tshilaphala Ring Road	Degsa (Pty) LTD	MIG	06-Mar-12	22-Jun-14	completed	none	4	4	4	4	Good management	Technical Services
50/2012	Tshivhulana to Tshilaphala Ring Road	PGN Civil/mbalish e construction	MIG	05-Apr-13	22-Jun-14	completed	none	3	4	4	4	The quality of work is good and complied with specifications	Technical Services
35/2011	Waterval Community Hall Construction	Victory Consulting Engineers	MIG	06-Mar-12	05-Jun-14	completed	none	5	5	5	5	Good management	Technical Services
37/2012	Waterval Community Hall Construction	Seakiri civil works and building construction	MIG	05-Apr-13	05-Jun-14	completed	none	4	4	4	4	The quality of work is good and complied with specifications	Technical Services
54/2011	Tshakhuma Landscaping and street lights	Nakiseni/dzugu business enterprise	MIG	26-Sep-12	25-Aug-13	completed	none	4				The quality of work is good and complied with specifications	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
36/2010	Rehabilitation of Eltivillas Business area	TM Africa Engineers	MIG	09-Jul-10	01-Nov-13	completed	none	5	5			Good management	Technical Services
39/2012	Rehabilitation of Eltivillas Business area	Splish splash construction	MIG	22-Feb-13	01-Nov-13	completed	none	0	0			The quality of work is good and complied with specifications	Technical Services
40/2010	Eltivillas Ext. Street surfacing Phase 2	African Blue Eagle Consulting	MIG	09-Jul-10	30-Jun-14	completed	none	5	5	4	4	Good management	Technical Services
31/2012	Eltivillas Ext. Street surfacing Phase 2	Mposicon Building Construction	MIG	14-Dec-12	30-Jun-14	completed	none	0	5	4	5	The quality of work is good and complied with specifications	Technical Services
41/2010	Tshikota Rehabilitation and upgrading of streets Phase 2	Mont Consulting Engineers	MIG	09-Jul-10	22-Aug-13	completed	none	5				Good management	Technical Services
30/2012	Tshikota Rehabilitation and upgrading of streets Phase 2	Immorial Building construction	MIG	14-Dec-12	22-Aug-13	completed	none	5	0			The quality of work is good and complied with specifications	Technical Services
29/2011	Piesanghoek to Khunda Road	Tshashu Consulting Enginners	MIG	06-Mar-12	12-Jun-14	completed	none	4	4	5	4	Good management	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
49/2012	Piesanghoek to Khunda Road	Ram 77 / capstan trading JV	MIG	05-Mar-13	12-Jun-14	completed	none	5	4	4	4	The quality of work is good and complied with specifications	Technical Services
30/2011	Waterval Streets Rehabilitation	Infraburo Consulting (Pty) LTD	MIG	06-Mar-12	30-Aug-13	completed	none	5				Good management	Technical Services
17/2012	Waterval Streets Rehabilitation	David Diva Construction	MIG	26-Sep-12	30-Aug-13	completed	none	5				The quality of work is good and complied with specifications	Technical Services
31/2011	Dzanani Community hall Construction	TM Africa Engineers	MIG	06-Mar-12	31-Mar-14	completed	none	5	5	5		Good management	Technical Services
38/2012	Dzanani Community hall Construction	FGN Construction and Plant hire	MIG	15-Mar-13	31-Mar-14	completed	none	4	5	4		The quality of work is good and complied with specifications	Technical Services
32/2011	Mphaila Access road and Bridge	Morula Consulting Engineers	MIG	06-Mar-12	23-Nov-13	completed	none	5	5			Good management	Technical Services
29/2012	Mphaila Access road and Bridge	Mkhacani Construction	MIG	14-Dec-12	25-Nov-13	completed	none	5	5			The quality of work is good and complied with specifications	Technical Services
33/2011	Sereni theme to Mashamba post office	Mvelelo Project Management	MIG	06-Mar-12	30-Mar-14	completed	none	5	5	5		Good management	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
	road												
18/2012	Sereni thema to Mashamba post office road	Muswobi Building Construction	MIG	26-Sep-12	30-Mar-14	completed	none	3	4	4		The quality of work is good and complied with specifications	Technical Services
34/2011	Tshivhulana to Tshilaphala Ring Road	Degsa (Pty) LTD	MIG	06-Mar-12	22-Jun-14	completed	none	4	4	4	4	Good management	Technical Services
50/2012	Tshivhulana to Tshilaphala Ring Road	PGN Civil/mbalish e construction	MIG	05-Apr-13	22-Jun-14	completed	none	3	4	4	4	The quality of work is good and complied with specifications	Technical Services
35/2011	Waterval Community Hall Construction	Victory Consulting Engineers	MIG	06-Mar-12	05-Jun-14	completed	none	5	5	5	5	Good management	Technical Services
37/2012	Waterval Community Hall Construction	Seakiri civil works and building construction	MIG	05-Apr-13	05-Jun-14	completed	none	4	4	4	4	The quality of work is good and complied with specifications	Technical Services
54/2011	Tshakhuma Landscaping and street lights	Nakiseni/dzugu business enterprise	MIG	26-Sep-12	25-Aug-13	completed	none	4				The quality of work is good and complied with specifications	Technical Services
42/2013	Njakanjaka Ph2	Brightside electrical	INEP		-	Work in progress	none	-	-	5	5	Excellent management	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
43/2013	Vhangani	Rivisi Electrical	INEP		-	Work in progress	none	-	-	3	3	Average management	Technical Services
44/2013	Mashamba	Famadu Technologies	INEP		-	Work in progress	none	-	-	5	5	Excellent management	Technical Services
5/2014	Pfananani	Tshipota Electrical	INEP		-	Work in progress	none	-	-	-	3	Average management	Technical Services
3/2014	Luvhalani	Brightside electrical	INEP		-	Work in progress	none	-	-	-	3	Average management	Technical Services
4/2014	Tshifhahani	Humpry Electrical	INEP		-	Work in progress	none	-	-	-	4	Good management	Technical Services
5/2014	Mufeba	Tshipota Electrical	INEP		-	Work in progress	none	-	-	-	3	Average management	Technical Services
4/2014	Makhavhani	Humpry Electrical	INEP		-	Work in progress	none	-	-	-	4	Good management	Technical Services
3/2014	Mauluma Zone 4	Brightside electrical	INEP		-	Work in progress	none	-	-	-	3	Average management	Technical Services
2/2014	Mugejwani	Jovial Networks	INEP		-	Work in progress	none	-	-	-	3	Average management	Technical Services

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor Average 4 - Good 2 - Fair 3 - Excellent 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
20/2013	Magau	S&R Reticulation	INEP	03-Sep-12	29-Nov-13	Completed	none	5	5	-	-	Excellent management	Technical Services
18/2013	Sane/Mangwele	Rivisi Electrical	INEP	04-Sep-13	17-Feb-14	Completed	none	4	5	4	-	Good management	Technical Services
19/2013	Manavhela	Humpry Electrical	INEP	04-Sep-13	12-May-14	Completed	none	3	5	5	4	Good management	Technical Services
18/2013	Afton/Ndovhada/Gombani	Rivisi Electrical	INEP	04-Sep-13	17-Feb-14	Completed	none	3	4	4	-	Good management	Technical Services
17/2013	Rahamantsha	AVN Construction	INEP	04-Sep-13	25-Nov-13	Completed	none	4	4	-	-	Good management	Technical Services
19/2013	Gogobole	Humpry Electrical	INEP	04-Sep-13	12-May-14	Completed	none	4	5	3	4	Good management	Technical Services
17/2013	Riverside	AVN Construction	INEP	04-Sep-13	25-Nov-13	Completed	none	4	5	-	-	Good management	Technical Services
21/2013	Tshikota & Tshiozwi	AVN Construction	INEP	04-Sep-13	12-May-14	Completed	none	3	5	3	5	Good management	Technical Services
46 of 2012	Formalisation of 700 sites at Matshavhawe	Pieterse Dutoit & Associates Town and Regional Planners	Income	July 2013 - June 2014	Jun-14	The Draft layout has been submitted to the Municipality	Comments on the road design	4	4	4	4		Development Planning



Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
42 of 2012	Demarcation of 100 sites at Tiyani Ribungwani	LandMark Consulting	Income	July 2013 - June 2014	Jun-14	The Final layout has been submitted and it has been submitted to Coghsta	None	4	4	4	4		Development Planning
45 of 2012	Demarcation of 200 sites at Hamasia Tshikwarani	LandMark Consulting	Income	July 2013 - June 2014	Jul-14	Draft general plan has been submitted to the Municipality	None	4	4	4	4		Development Planning
43 of 2012	Demarcation of 300 sites at Muananzhele Communal Property Association	Vutsila Consulting	Income	July 2013 - June 2014	Jun-14	Draft Layout has been submitted for comments	None	3	3	4	4		Development Planning
44 of 2012	Environmental Impact Assessment	Mokwela Consulting	Income	July 2013 - June 2014	Jun-14	The tender was advertised for interested and affected parties to comments	None	4	4	4			Development Planning
9 of 2010	Printing of consumer statements	Cab Holdings (PTY) LTD	Income	2010/08/11	2013/07/31	printing and posting is satisfactory		3	2	2			Development Planning
7/2013	Short term insurance portfolio for a period of three	Lateral Unison Insurance Brokers (PTY)LTD	Income	2013/10/01	2016/09/30	satisfactory			3	4	4		Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
	years												
46/2010	Provision of banking services for period of 60 months.	First National Bank	Income	2011/07/01	2016/06/30	Satisfactory		4	5	5			Budget and Treasury
41/2013	GRAP Compliant Assets register	Musanda Chartered Accounts (PTY)LTD	Income	2014/03/01	2017-29-02	Satisfactory				3	4		Budget and Treasury
61/2010	Proposal card fleet management	Wesbank	Income	2011/11/01	2013/10/31	Satisfactory		5	5	5	5		Budget and Treasury
3 of 2011	Rendering of meter reading services for period of three (3) years	Bires/UMS	Income	2011/06/29	2014/05/30		problem experiences regarding credit control and metering (to be resolve by constant meetings)	3	3	3	3		Budget and Treasury
56 of 2008	4X10000 Water tankers	Cooper Eagle Trading 327 CC	Income	2009/02/12	2019/02/28	Satisfactory		4	4	4	4		Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
21 of 2007	Fleet Management agreement	Bridge Auto	Income	01/10/2011 as per amendment	31/09/2014	Satisfactory		4	4	4	4		Budget and Treasury
26/2012	Supply and delivery of hardware materials for three years	lydo Trading Enterprise, Shillas Business Enterprise and One on Two Suppliers	Income	1/9/2012	30/8/2015	satisfactory		4	4	4	4		Budget and Treasury
24/2012	Supply and delivery of electrical materials for period of three years	muspat Trading ,Actom Electrical,Shu mani Phateni general Dealer,Polokwane Power Supplies,Medupe Distributors, Mamamiya Trading Enterprise and Manganyana Logistics and Construction	Income	1/9/2012	30/08/2015	satisfactory		4	4	4	4		Budget and Treasury
25/2012	Supply and delivery of painting materials for period of three years	Dave Rams construction, Perrizin Homes, Tokolloho General Trading	Income	1/9/2012	30/8/2015	satisfactory		3	3	3	4		Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
06 of 2012	Debt Collection for three years	Hamman moossa/advocate Mudungu Associates	Income	2012/08/01	2015/07/31	Good in debt collection		4	4	4	4		Budget and Treasury
	Electricity prepaid vending	Contour technologies (pty) ltd	Income	20/4/2012	20/03/2015	very good		5	5	5	5		Budget and Treasury
73/2010	Supply and Delivery of Photocopying paper for three years contract	Mudzula Supply Services	246/260006	20/05/2011	20/05/2014	still operating	None	5	5	5	4		Budget and Treasury
73/2010	Supply and Delivery of Photocopying paper for three years contract	Machaba Consulting	246/260006	20/05/2011	20/05/2014	still operating	None	5	5	5	4		Budget and Treasury
73/2010	Supply and Delivery of Photocopying paper for three years contract	Mbofholowo General Trading	246/260006	20/05/2011	20/05/2014	still operating	None	5	5	5	4		Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
<b>22 of 2010</b>	Rental of 10 copiers as per Main Rental Agreement with Merchant West Bank Pty Ltd and as per 10 Continuous Service Agreements with Palesa Tech Pty Ltd	Palesa Tech Pty Ltd and Merchant West Bank	Income	Expires on 29 October 2013 (extended for one month to 29 November 2013 to ensure continuity of copier service on site while awaiting tender allocation)	Expires on 29 October 2013 (extended for one month to 29 November 2013 to ensure continuity of copier service on site while awaiting tender allocation)	According to contractual provisions	None	5	5	5	5	Satisfactory	Budget and Treasury
<b>37 of 2006</b>	One day per month on site service support with Collaborator electronic document movement as per Annual Service Level Agreement	Business Engineering Pty Ltd	Income	Annually negotiated and subject to available funds; 1 November 2012 to 30 June 2013 and again 1 October 2013 to 30 June 2014	Annually negotiated and subject to available funds; 1 November 2012 to 30 June 2013 and again 1 October 2013 to 30 June 2014	According to contractual provisions	None	5	5	5	5	Satisfactory	Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
<b>Existing service provider per contract for ICT Support services</b>	ICT software applications and technical support service	ITNA (Pty) Ltd	Income	As per Service Level Agreement	As per Service Level Agreement	According to contractual provisions	None	5	5	5	5	Satisfactory	Budget and Treasury
<b>Existing service provider per contract for Munsoft Financial Management Support services</b>	Continuous daily support services on Munsoft Financial Management services, including upgrade of software and training on operational level as well as Software License Agreement	Munsoft Pty Ltd	Income	As per Service Level Agreement	As per Service Level Agreement	According to contractual provisions	None	5	5	5	5	satisfactory	Budget and Treasury
<b>Various Software Licenses Agreements</b>	Software Applications on the Information Technology Systems	Various software application service providers	Income	Contractual as per Licensing Agreement for the relevant software	Contractual as per Licensing Agreement for the relevant software	According to contractual agreements	None	5	5	5	5	Satisfactory	Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
35/2012	Medical Services psychology for period of three years	Matswaisa Trading Enterprise	Operational budget	13/02/2013	13/02/2016	still operating	None	5	5	5	5		Budget and Treasury
05 of 2011	Installation of CCTV Surveillance cameras	Tshedza Protective Services	Income	13/03/2012	13/02/2018	Cameras within the Civic Centre are running already, the Control room is being updated and additional funding had recently been approved for access control systems installation	<u>Financial constraints</u> ; Additional funding had been requested and recently been approved for access control systems installation	4	4	3	4	There is an improvement	Budget and Treasury
2/2011	Cash-in-Transit	G4S Security	Income	2011/09/01	2014/08/31		<u>1. Delays in collection and banking of Council revenue at some points;</u> <u>2. Continuous Misplacement of Deposit books.</u> Meetings are being held regularly and delays are being reported promptly.	3	3	3	3	<u>1. Delays in collection and banking of Council revenue at some points;</u> <u>2. Continuous Misplacement of Deposit books.</u> Meetings are being held regularly and delays are being reported promptly.	Budget and Treasury

Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
5/2013	Security provision for municipal Property	2RM Security T / A ANLITICAL RISK MX	Income	3 Years from 01st August 2013		Service provision is satisfactory	No challenge was reported or experienced	4	4	4	4	Satisfactory	Budget and Treasury
5/2013	Security provision for municipal Property	Majojo Trading	Income	3 Years from 01st August 2013	31/7/2016	Service provision is satisfactory	<u>Challenges were reported</u> and Meetings are being held regularly and delays are being reported promptly	3	3	4	4	Satisfactory	Budget and Treasury
5 /2013	Security provision for municipal Property	GNS Security	Income	3 Years from 01st August 2013	31/7/2016	Service provision is satisfactory	No challenge was reported or experienced	4	4	4	4	Satisfactory	Budget and Treasury
5/2013	Security provision for municipal Property	Backline Security and Cleaning Services	Income	3 Years from 01st August 2013	31/7/2016	Service provision is satisfactory	No challenge was reported or experienced	4	4	4	4	Satisfactory	Budget and Treasury
5/2013	Security provision for municipal Property	Vhugi Protection Services	Income	3 Years from 01st August 2013	31/7/2016	Service provision not satisfactory	<u>Challenges were reported</u> and Meetings are being held regularly and delays are being reported promptly	3	3	4	4	<u>There is an improvement</u>	Budget and Treasury



Tender number	Project Name	Name of Service provider	Source of Funding	Start Date	Completion Date	Progress to Date	Challenges and Interventions	Assessment of Service Provider				Assessment Comments	Responsible Department
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent					
								Quarter 1	Quarter 2	Quarter 3	Quarter 4		
5/2013	Security provision for municipal Property	Vetaran Security Services	Income	3 Years from 01st August 2013	31/7/2016	Service provision is satisfactory	No challenge was reported or experienced	4	4	4	4	No challenge was reported or experienced	Budget and Treasury
105/2010	Parking meter management System	Rirothe Trading and Investment Cc.	Income	11/12/2012	30/11/2015	The Parking meter System is operational from December 2012	<u>Complaints from members of the public regarding the fees and how the system functions</u> ; Complaints are being referred to the service provider	3	3	3	3	<u>Complaints from members of the public regarding the fees and how the system functions</u> ; Complaints are being referred to the service provider	Budget and Treasury
26 of 2011	Rendering Internal Audit services	Kwinana & Associates	Own Income	01/01 2012	31/12/2014	Completed projects in terms of our annual plan for 2013/14 financial year.	Deadlines in terms of submission of reports not met	3	3	3	3	No challenge was reported or experienced	Budget and Treasury

# **ANNEXURE A 9**

Honourable LB Mogale  
Speaker of municipal council  
Private Bag X2596  
Makhado  
0920

18 March 2015

Reference:02264REG13/14

Honourable LB Mogale

**Report of the Auditor-General for the year ended 30 June 2014**

1. The 2013-14 annual report that will be tabled on 26 March 2015 will include the report of the Auditor-General for the year ended 30 June 2014. This letter highlights the key matters in the audit report for consideration by the municipal council in its oversight processes, as required by section 129 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).
2. As in previous years, the focus of our audit was on the following:
  - The quality of the municipality's financial statements
  - The quality of its performance report
  - Its compliance with key legislation.

The overall audit outcome of the Makhado Municipality was financially unqualified with material findings on the annual performance report and compliance with key legislation. This was an improvement from the previous year.

3. The municipality successfully addressed the following findings that we reported on in the 2012-13 audit report:
  - Land not recognised as inventory and inadequate evidence for the value of land.
  - No evidence of assessing significant debtor balances for impairment.
  - Related party transactions not disclosed.
  - Non-compliance relating to an ineffective system of internal control for assets and investigations to unauthorised, irregular, fruitless and wasteful expenditure incurred.

We commend the municipality for the progress made.

4. The audit report includes the following findings that require the attention of the council:

4.1 Annual performance report

We audited the quality of the information included in the annual performance report on the achievement of the predetermined objectives for roads and storm water, electrical, waste management and library and security services, traffic, parks, building control, environmental and disaster management.

The following were our main findings:

- Performance targets are not measurable and specific

- Reported performance information for electrical was not valid, accurate and complete when compared to the evidence provided.

Our recommendations to the mayor and municipal manager to improve the performance management system of the municipality included proper systems and processes for performance information and the monitoring thereof, establishing technical indicator descriptions and review of reported performance information against evidence.

The responsibilities of the council concerning performance planning, monitoring and reporting are clearly stipulated in the MSA and the *Municipal planning and performance management regulations (MP & PMR)*. We recommend that, based on our report, the council consider whether the performance management system adopted by the municipal council in terms of section 39 of the MSA is effective in ensuring that the municipality has set appropriate key performance indicators and measurable performance targets for the development priorities and objectives in the integrated development plan and that it allows for performance monitoring and the measurement and review of performance annually and regular reporting to the council and the public (MSA section 41).

In light of our findings on the usefulness and reliability of the annual performance report, we also recommend a review of the effectiveness and impact of the internal auditing processes, as prescribed by section 45 of the MSA, and the performance audit committee, as required by regulation 14 of the MP & PMR.

#### 4.3 Compliance with key legislation:

The main areas of non-compliance by Makhado Municipality were as follows:

- Preparing financial statements without adequate review.
- An inadequate performance management systems and internal controls
- Awarding the valuation roll tender contrary to legislation.
- Incurring material irregular and fruitless and wasteful expenditure.

We recommended to the mayor and municipal manager that compliance be enhanced by strengthening internal controls for financial statements preparations and enforcing the municipality's procurement policy.

Section 11(3)(e) of the MSA provides the executive and legislative authority of the council to include the implementation of applicable national and provincial legislation and its by-laws. We recommend that the council strengthen its monitoring and oversight role in this regard, but also set an example to the administration by effectively addressing non-compliance with legislation by the council as such.

5. The audit report includes the significant deficiencies in internal control that we consider to be the root causes of the findings on the annual performance reports and compliance with key legislation.

Legislation defines the role of the council as it relates to some of these deficiencies, which we have highlighted below to assist the council in responding to the audit report:

- Improving the performance management systems (section 11(3)(k) of the MSA).
- Strengthening the enforcement of the procurement policy (section 62(1)(d) of MFMA).

6. The financial statements include disclosures on irregular as well as fruitless and wasteful expenditure incurred by the municipality.

Our report further highlights non-compliance with legislation. We remind the council of its responsibility to:


- investigate unauthorised, irregular as well as fruitless and wasteful expenditure and recover any losses from liable officials in accordance with section 32(1) and (2) of the MFMA.

7. In conclusion, we are encouraged by the progress made by the municipality to improve its financial and performance management under the leadership and oversight of the council. As part of the

quarterly key control engagements, we will follow up on the implementation of these recommendations made in the interest of further improvements. Be assured of the Auditor-General of South Africa's continuing support in this regard.

8. You are kindly requested to include the content of this letter in the agenda of an appropriate council meeting that deals with the annual report.

Yours sincerely



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Cc. The Auditor-General