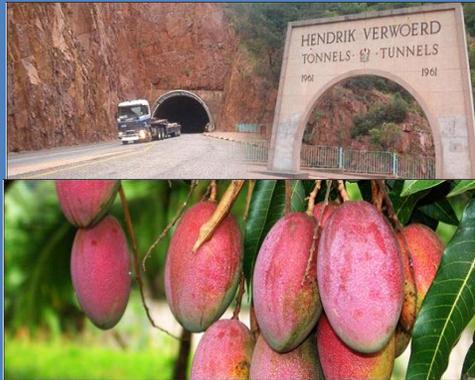




MAKHADO LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT 2015/2016



SECTION 121 MFMA

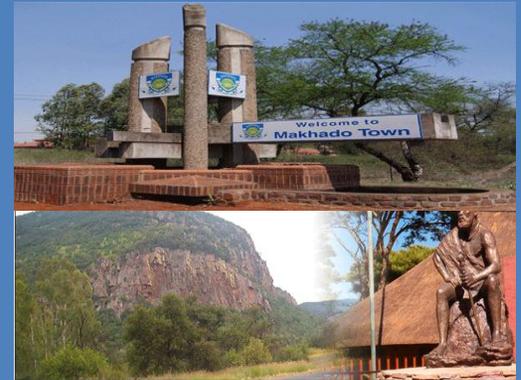


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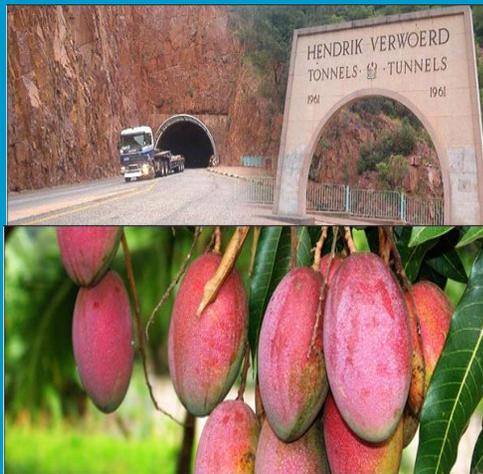
GLOSSARY

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

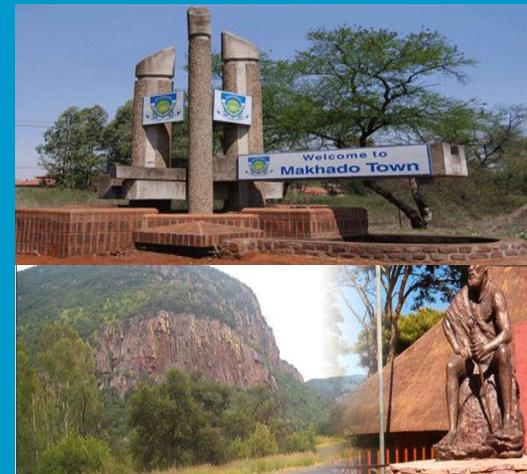


CHAPTER 1

INTRODUCTION AND OVERVIEW



ANNUAL REPORT 2015/2016



CHAPTER 1: INTRODUCTION AND OVERVIEW

COMPONENT A: MAYOR'S FOREWORD

1.1. MAYOR'S FOREWORD



South Africa has successfully held municipal elections which brought new councils in all municipalities in the whole country. Makhado Municipality is no exception to this process hence a new Council was inaugurated in August 2016. During the financial year under review the Mayor of Makhado Municipality was His Worship Cllr Muthavhatsindi F.D. who is currently serving the Vhembe District Municipality. The current Mayor of Makhado Municipality Her Worship Cllr Sinyosi S.M. will table the Draft Annual Report 2015/2016 to the Council.

The 2015-2016 Annual Report is presented to the residents of Makhado Municipality and beyond, with the trust that it will continue to collectively inspire us to deepening democracy and development in all rural and urban areas of the Makhado Municipality. The report reflects the strategic path we have taken as the leadership and the people of Makhado, towards a viable, sustainable and developmental local Municipality.

This annual report also helps us to assess our actions, identify gaps and opportunities that will enhance our institutional capacity to deliver on our key strategic thrusts of local government. This term of Council, was yet another testimony of a thriving and vibrant democratic state in South Africa, marked by the forthcoming local government elections during August 2016.

We are confident that the next Council will raise the bar and achieve the adopted 7 strategic objectives of Makhado Municipality through its IDP and the annual SDBIP's. These objectives are directly aligned to the provincial growth development programmes. Our mandate as the Council of Makhado is to restore the dignity of our people through provision of proper housing, clean water, electricity, better roads, healthy sanitation and good living conditions has come. Working together with other spheres of government we have provided needed community services in order to improve the quality of life and wellbeing of all our people.

We have been able to spend our Municipal Infra Structure Grant (MIG), with diligence and skill, enabling us to receive further support from the National Treasury. We have not improved our audit opinion but did not regress to the old history of disclaimers. I congratulate all who participated in these efforts and trust that a clean audit is possible in the future. We maintained good working relationships with labour, organised business, civic associations and traditional leaders.

We have functional Ward Committees, Portfolio Committees, Audit and Risk Committees, MPAC and other community mobilisation and governance oversight committees. We continued to interact with our people through integrated public participation meetings and Imbizos. Credible organisational performance reports were used to correct all service delivery challenges. Evident to this is the adjustment of the Budget and the Service Delivery and Budget Implementation Plan (SDBIP).

Let me also extend special gratitude to the Office of the Speaker, Chief Whip, Executive Committee members and all councillors for their support and political guidance that has immensely contributed and increased our capacity to lead and govern.

The Municipal Manager, Directors and his staff must also be commended for their continued efforts to turn around our institution so that it is responsive, focused and committed to creating a better life for all.

Finally, we wish to extend our sincere thanks to the residents of Makhado and their respective Ward Committees, businesses, farmers, civic, political, social and economic organizations who diligently work together to ensure that Makhado Municipality continues to be a peaceful, prosperous and harmonious community.

Cllr S.M Sinyosi
Makhado Municipality

COMPONENT B: EXECUTIVE SUMMARY

1.2. MUNICIPAL MANAGER'S FOREWORD



The Makhado Municipality Annual report 2015/2016 highlights the following achievements:

- Waste management and cleansing services were expanded rural areas in Kutama/Sinthumule areas.
- Initiatives to enhance local economic development wherein 6 LED/community based poverty alleviation projects funded
- Completion of the roads, electricity and recreation infrastructure services:
 - ✓ Tshikota access road/Pretorius street is upgraded (6.5km)
 - ✓ Magau road phase 2 completed (4.5km)
 - ✓ Ledig road completed (6.6km)
 - ✓ (4.3km) Tshivhazwaulu to Rasivheshela road phase 1 completed
 - ✓ Electrification Rabali Stadium facility completed
 - ✓ 185 households at Wisagalaza 2 & Chitasi village connected.
 - ✓ 180 households at Mamburu connected
 - ✓ 91 households at Madodonga/Manavhela connected
 - ✓ 96 households at Ramahantsha /Riverside connected
 - ✓ 93 households connected at Tshiozwi/Gogobole
 - ✓ 100 households at Magau connected
 - ✓ Development of 5047 Park is completed

The municipality did not improve in terms of audit opinion but managed to maintain the qualified opinion. Good to highlight that on the audit of predetermined objectives or performance information, an unqualified has been obtained in all the audited areas. This confirms the municipality's effectiveness in monitoring and evaluation of the service delivery performance. It further confirms Makhado Municipality's seriousness in achieving its vision, mission and strategic objectives which reflects as follows:

- The Vision is: "A dynamic hub for socio – economic development by 2025"
- The Mission is: "To ensure effective utilization of economic resources to address socio- economic imperatives through mining, tourism and agriculture"

The Makhado 7 strategic objectives

- Good governance and administrative excellence
- Invest in human capital
- Promote community and environmental welfare
- Advance Spatial Planning
- Accessible basic and infrastructure services
- Sound Financial Management and viability
- Invest in local economy

This report promotes the principles of transparency and accountability to the community and other stakeholders. It depicts the development character of the municipality at all spheres, enhancing participatory democracy and

cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, Municipal Systems Act and the Municipal Finance Management Act.

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

***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).**

In performing the above powers and functions, Makhado Municipality administration has throughout the financial year 2015/2016 displayed eagerness and willingness to achieve and administrative excellence. This was evidenced by the effective implementation of best practice systems and processes to address matters raised by the Auditor-General in 2014/2015 financial year. Makhado municipality has successfully reported on the implementation of on both National priorities and the Service Delivery Budget Implementation Plan (SDBIP) through the Back to Basics reports. This includes reporting the following:

- Putting People first
- Delivering basic Services
- Good governance
- Sound Financial Management
- Building Capacity

Makhado Municipality is a 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, this 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 2016/2017. The municipality has developed a roll over plan to ensure continuous monitoring and evaluation of the projects.

Makhado Municipality would like to appreciate the support given by the sector departments during the process of IDP/Budget/PMS review. The municipality would like to highlights its financial challenges that emanate from the debt owed to DBSA. 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 is in the process of auditing electricity loss. This will assist in justifying the tariff increase at NERSA.

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. The challenges on water rest within the competency of the district municipality.

The organisational structure for 2016/2017 was successfully developed and approved by Council in May 2016. 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 confirmed its municipal vision, mission, values and strategic objectives during the strategic planning session for 2016/2017 IDP. 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	N/A
3. Mrs Sinthumule M D	Director Development and Planning	N/A
4. Mr Kharidzha N.C	Director Corporate Services	N/A
5. Mr Molokomme C.W	Director Technical Services	N/A
6. Ms Makhubele MP	Chief Financial Officer	N/A

In conclusion, appreciations go to Mayor for the leadership support displayed together with the Speaker, Chief Whip, EXCO, Councillors and the community at large. We urge all members of the community to continue to participate 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

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 boarder 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 km² 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

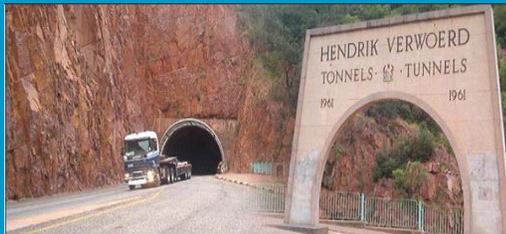
Table 4: Free Basic Services

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



CHAPTER 2

GOVERNANCE



ANNUAL REPORT 2015/2016



CHAPTER 2: GOVERNANCE

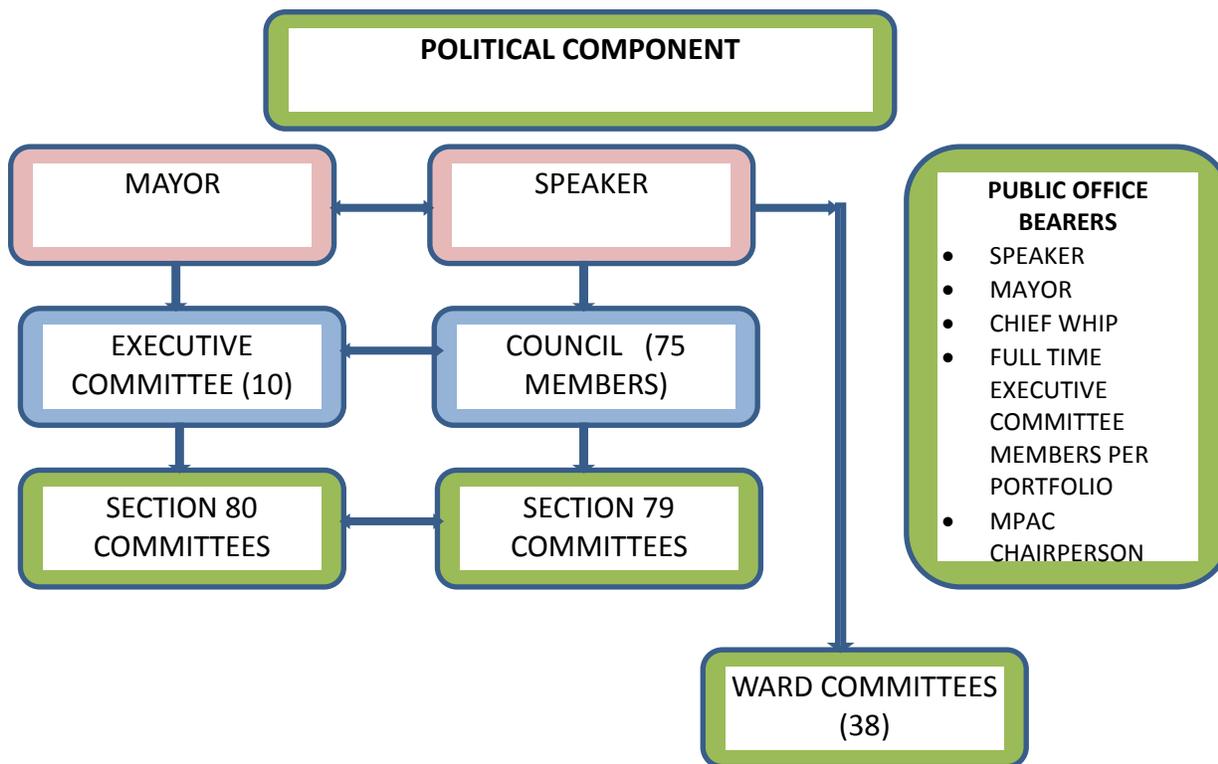
COMPONENT A: GOVERNANCE STRUCTURES

2.1. POLITICAL GOVERNANCE STRUCTURE

2.1.1. COUNCILORS

The term of Council which produced the Annual Report 2015/2016 has ended on the 30th of June 2016 with Cllr Muthavhatsindi F.D as the Mayor. Makhado Local Municipality (LIM344) is a category B municipality in terms of the Structures Act, 1998 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, 1998. The current Council was duly formed with effect from 18 May 2011 and is still the councilors for the annual performance year of 2015/2016 under discussion, with some newly elected/appointed councilors where resignations were received.

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 23 October 2013, the names of the elected parties and the number of the respective councillors elected are as follows:

Table 5: Representation in Council – Political Parties

PARTY	# OF WARD COUNCILLORS	# OF PROPORTIONAL REPRESENTATIVE COUNCILLORS	
African National Congress (ANC)	36	28	64
Democratic Alliance (DA)	2	4	6
Congress of the People (COPE)	0	3	3
African Christian Democratic Party	0	1	1
Pan Africanist Congress of Azania	0	1	1
Total	38	37	75

The following are current Councillors of Makhado Municipality

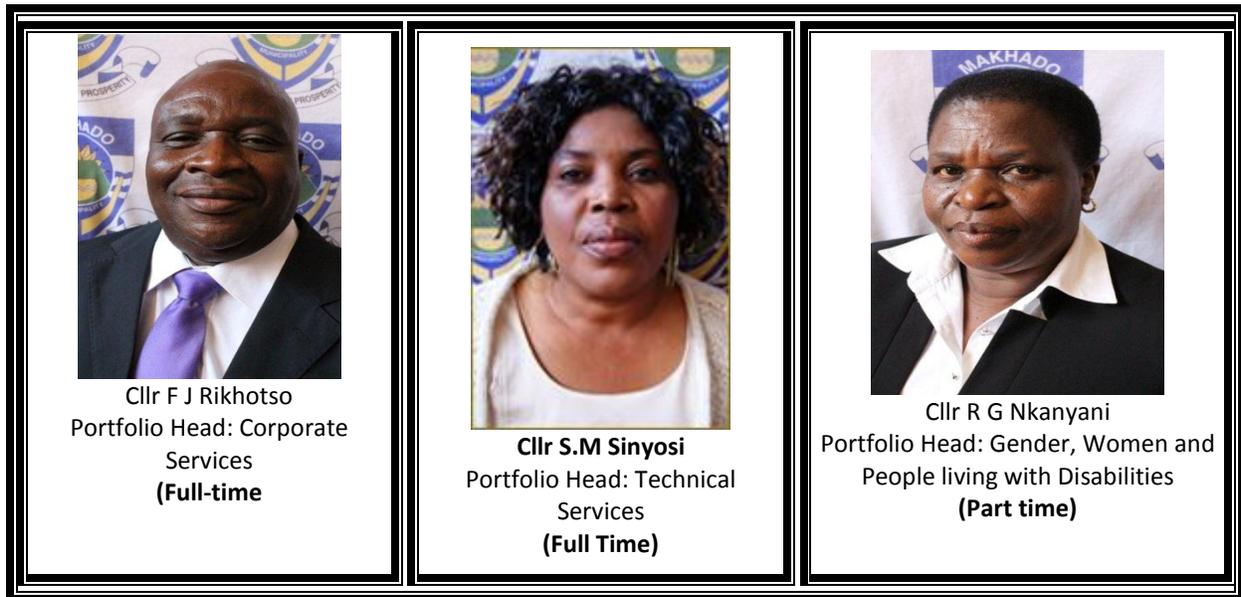
Table 6: Name of Councillors

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 R Malange
Portfolio Head: Sport, Arts and Culture
(Part time) March 2015



Cllr R Thandavhathu Portfolio Head:
Community Services (Part Time)



Cllr A.J Du Plooy Exco Member
(Part Time)



Cllr D.T Ratshikuni
Portfolio Head: Youth, Woman & Disabilities
(Part Time)



Cllr J.P Underwood
Portfolio Head: Disaster & Moral Regeneration
(Part Time)



Cllr N D Davhana
Portfolio Head: Finance
(Full Time)

2.1.3. **SECTION 80 COMMITTEES** from 15 December 2014 and/or 11/30 March 2015 (amendment in terms of Council Resolutions A.176.15.12.14, A.24.11.03.15, A.25.11.03.15 and A.31.03.15)

	SECTION 80 COMMITTEE AND CHAIRPERSON	MEMBERS
1.	Housing, Roads and Transport : Cllr D T Ratshikuni (Chairperson)	Mukhaha A J, Hlungwani K A, Nemafohoni M G, Baloyi N B, Chililo N F, Rekhotsi S M, Tshilambwana M S, Balibali N P, Madzhiga M, Mamatsiari M S
2.	Finance: Cllr N D Davhana (Chairperson)	Rikhotso F J, Mukhaha J, Munyai N S, Mulovhedzi M D, Netshivhula P, Makhubele R, Du Plooy A, Nndwambi M T
3.	Sports and Recreation, Arts and Culture: Cllr R Malange (Chairperson)	Chililo N F, Mthombeni S Z, Tshilambwana M J, Nndwambi M T, Magada M R, Mazibuko P, Makhubele R T, Map, hahla A Z, Lerule M M
4.	Youth, Women, Elderly, Gender People with Disability and Children: Cllr R G Nkanyani (Chairperson)	Mathalise L M, Mukhari M F, Matodzi N A, Nkanyani R G, Ludere E H, Madzivhandila R, Matumba N J, Mamafha T J, Chililo N F, Ramudzuli S D

	SECTION 80 COMMITTEE AND CHAIRPERSON	MEMBERS
5.	Technical Services and Infrastructure: Cllr Sinyosi S M (Chairperson)	Madzhiga N, Mathladisa S V, Kutama N Mmboyi D, Mulovhedzi M D, Balibali N P Mpashe M, Netshivhula P, Matumba M T Ledere E H, Mamatsiari M S, Tshavhuyo T G
6.	Community Services: Cllr R Thandavhathu (Chairperson)	Maphala O S, Hlungwani K A, Madavhu F F Mpashe M, Nkanhyani R G, Kutama N Selepe M R, Machovani G, Magada M R Baloyi R S
7. Sub-committees	Corporate Services: Cllr F J Rikhotso (Chairperson)	Madzhiga N, Mathoma P, Rasimphi M P Mukhaha A J, Mamafha T C, Machete M Davhana D, Mthombeni A Z, Malima M E P F Mashimbye
	Corporate Services Sub-Committees	Davhana N D, Mukhaha A J, Mthombeni S Z
	A. Local Labor Forum Cllr F J Rikhotso (Chairperson)	
	B. Employment Equity Cllr F J Rikhotso (Chairperson)	Mathoma P, Machete M, Mathalise L M Malima M E
	C. Pension Funds Cllr F J Rikhotso (Chairperson)	Madzhiga N, Rasimphi M P, Mamafha T C
8.	Planning, Economic Development, Tourism & Traditional Affairs: Cllr D T Ratshikuni (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
9.	Disaster, Moral Regeneration and Pastors Forum: Cllr Underwood J P (Chairperson)	Mamafha T J, Netshivhula P, Maphala O S Makhuvha V S, Mmbadi T A, Mamatsiari M S, Mazibuko M P, Ndwambi M T, Madzivhandila R, Ndwambi M T

2.1.4 Meetings Held For 2015/2016 Financial Year (Council, Executive Committee and Portfolio Committees)

Table 7: Meetings held For 2015/2016 Financial Year (Council, Executive Committee and Portfolio Committees)

DATE	PORTFOLIO COMMITTEES	EXECUTIVE COMMITTEE	COUNCIL
July 2015 to June 2016	121	24	13
TOTAL	154 (excluding APAC, Risk Committee and Bid Committee meetings)		

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	N/A
Mrs Sinthumule M D	Director Development and Planning	N/A
Mr Kharidzha N.C	Director Corporate Services	N/A
Ms Makhubele MP	Chief Financial Officer	N/A
Mr C W Molokome	Director Technical Services	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, the community was engaged through the existing public participation mechanisms and structures. Five (5) Izimbizos (public participation meetings) were held, four (4) IDP Representative Forum were coordinated in all Regions. Ward Committees met on a monthly basis to consider all service delivery issues at ward level, this system will need to improve in order to maximize corrective action to address service delivery backlogs. Other community stakeholders and interest group meetings were held throughout the year in order to 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 2527 dated 17 JUNE 2015:	Notice No 99, Building Regulations By-laws
Provincial Gazette Limpopo No 2527 dated	Notice No 100, Electricity supply By-laws

17 JUNE 2015:	
Provincial Gazette Limpopo No 2527 dated 17 JUNE 2015:	Notice No 101, Storm water management By-laws
Provincial Gazette Limpopo No 2527 dated 17 JUNE 2015:	Notice No 102, Cemeteries By-laws
Provincial Gazette Limpopo No 2527 dated 17 JUNE 2015:	Notice No 103, Property Rates By-laws
Provincial Gazette Limpopo No 2527 dated 17 JUNE 2015:	Notice No 104, Credit control and debt collection By-laws
Provincial Gazette Limpopo No 2708 dated 20 May 2016:	Notice No 41, SPLUMA By-laws
Provincial Gazette Limpopo No 2713 dated 03 JUNE 2016:	Notice No 56, Impoundment of animals By-laws
Provincial Gazette Limpopo No 2713 dated 03 JUNE 2016:	Notice No 57, Public nuisance By-laws
Provincial Gazette Limpopo No 2713 dated 03 JUNE 2016:	Notice No 58, Street trading By-laws
Provincial Gazette Limpopo No 2713 dated 03 JUNE 2016:	Notice No 59, Swimming pools 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 quarterly performance reports are placed on the website for public consumption. The issue of municipal oversight committees well dealt with in chapter 2 of this report.

2.3. COMMITTEES APPOINTED BY COUNCIL

2.3.1. Council Representatives in Vhembe District Municipality's Council

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

Cllr M D Mboyi, Cllr H F Mathavha, Cllr N J Matumba, Cllr L M Mathalise, Cllr M D Mulovhedzi, Cllr N Kutama, Cllr R T Makhubele, Cllr N S Munyai, Cllr M E Malima, Cllr B F Hlongwane, Cllr M R Selepe, Cllr S V Mahlادisa and Cllr M P Mathoma

2.3.2. Municipal Public Account Committee (MPAC)

Municipal Public Account Committee for 2014/2015 is as follows:

Cllr T M Malange (Full-time Chairperson), Cllr J Shandukani, Cllr B F Hlongwani, Cllr M Mutele, Cllr Q Ratshivhombela, Cllr H Mathavha, Cllr M R Madzivhandila, and Cllr N A Mafhala who was appointed in MPAC by Council Resolution A.176.15.12.14 on 15 December 2014.

(Note: 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.

2.3.3. Section 79 Committees

SECTION 79 COMMITTEES

After amendment on 15 December 2014 and 11 March 2015 Council's Section 79 Committees is composed as follows (under Council Resolution A.45.30.05.13 as amended by Resolutions A.35.26.02.14 and A.176.15.12.14)

	SECTION 79 COMMITTEE AND CHAIRPERSON	Members of Committee
1.	Finance: Cllr M G Mahani (Chairperson)	Mmboyi D, Selepe R, Tshilambwana M S Magada M R, Sakhwari I, Maphahla A Z Mahladisa S V, Makhuvha V S
2.	Sports and Recreation, Arts and Culture: Cllr A J Mukhaha (Chairperson)	Davhana N D, Munyai N S, Mulovhedzi M D, Maphahla A Z, Masuka S
3.	Youth, Women, Elderly, Gender, People with Disability and Children: Cllr S Z Mthombeni (Chairperson)	Matodzi A M, Mukhaha A J, Mmbadi T A Kutama N, Rekhotsi S M, Nemafohoni M G, Mamatsiari M S
4.	Technical Services and Infrastructure: Cllr S M Rikhotso (Chairperson)	Madzhiga F N, Maphala O S, Ndzovela N G Madavhu F F, Matumba N J, Malima M E Lerule Ramakhanya M M
5.	Community Services: Cllr T J Mamafha (Chairperson)	Kutama N, Mulovhedzi M D, Balibali N P Neluvhola A T, Luduvhungu V S, Hlabioa M M, Malima M E
6. Subcommittees	Corporate Services: Cllr L M Mathalise (Chairperson)	Ngobeni N E, Maphala O S, Makhuvha V S Mmbadi T A, Ludere E H, Mamatsiari M S Mpashe M
	Corporate Services Sub-Committees Local Labor Forum and Employment Equity Cllr N F Chililo (Chairperson)	Mathoma P, Mamafha T J, Mathalise L M Ludere E H, Malange R
	Pension Funds Cllr Mathladise S V (Chairperson)	Gabara M J, Munyai N S, Magada M R
7. Subcommittee	Planning, Economic Development, Tourism and Traditional Affairs: Cllr M P Mathoma (Chairperson)	Rasimphi M P, Ndzovela N G, Netshivulana P, Ramudzuli S D, Ndwammbi M T, Mamafha T J, Neluvhola A T
	Planning, Economic Development, Tourism and Traditional Affairs Housing, Roads and Transport Cllr M S Tshilambwana (Chairperson)	Mukhari M F, Matodzi H A, Nkanyani R G Rikhotso F J, Mazibuko M P, Madavhu F F Matumba M T, Ramudzuli S D
8.	Disaster, Moral Regeneration and Pastors Forum: Cllr M J Gabara (Chairperson)	Mathoma P, Rasimphi M P, Mukhaha A J Mavhunda M D, Nemafohoni M G, Malange R, Matodzi A M, Mathalise L M
9.	Rules and Ethics: Cllr L B Mogale (Chairperson)	Matodzi A M, Mmbadi T A, Mamafha T C Rasimphi M P, Nemafohoni M G, Balibali N P
10.	Municipal Public Accounts Committee: Cllr Malange T M (Chairperson)	Shandukani M J, Hlungwane B F Mutele M, Ratshivhombela Q, Mahani M G, Mathavha H, N A Mafhala
11.	Women's Caucus The Speaker (Chairperson) L B Mogale	L M Mathalise, A J Mukhaha, M Q Ratshivhombela, M M Hlabioa, G Machovani M S Mamatsiari. F N Madzhiga T P Mamorobela

2.3.4. The Audit And Performance Audit Committee

Council Resolution A33.30.03.15 composed the new Audit Performance and Audit Committee at its meeting held on 30 March 2015 for a period of three (3) years from date of appointment. **The following are new audit committee members:**

Name	Designation
Dr J Zaaiman	Chairperson

Dr Ms A.M.M Badimo	Committee Member
Mr N S Matenzhe	Committee Member
Mr. V D Ramuedzisi	Committee Member
Mr. M Ramabulana	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.

The Audit and Performance Audit Committee held seven (7) meetings as follows in the 2015/16 financial year:

Date of meetings	Purpose of meeting
22 July 2015	Fourth quarter scheduled Audit and Performance Audit Committee 2014/15 financial year
22 August 2015	Special Audit and Performance Audit Committee meeting (to consider Annual Financial Statements and Annual Performance Information)
29 October 2015	First quarter scheduled Audit and Performance Audit Committee 2014/15 financial year
30 November 2015	Special Audit and Performance Audit Committee Meeting (to consider management letter and Auditor – General report)
27 January 2016	Second quarter reporting
20 April 2016	Third quarter reporting
20 July 2016	To consider the three year Internal Audit rolling plan and internal audit and Audit Committee charters

2.3.5. RISK MANAGEMENT

The accounting officer/Municipal Manager has committed Makhado Municipality to a process of enterprise risk management that is aligned to the principles of good corporate governance, as supported by Section 62(1) (C)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) and chapter 4 of King III Report (Third report on corporate governance of South Africa). Risk management is recognised as an integral part of responsible management and therefore, Makhado Municipality has adopted a comprehensive approach to management of risk, the flawless process is clearly outlined in Risk Management strategy of the Municipality. A lot of progress has been done with respect of enterprise risk management for example the establishment of a Risk Management Office, Risk and Anti-fraud & corruption Committee which is chaired by an independent external person to ensure transparency. Mr L S Mofokeng was appointed as Chairperson of the Risk Management Committee by Council Resolution on 29 June 2015 and he also reports to the Audit Committee on Risk Management matters. He gets remunerated for preparing and attending the meeting.

It is evident that the Committee is working efficiently, e.g. the risk management strategy/risk register of the municipality which is aligned to the IDP objectives was presented and noted by Council. The risk management strategy will ensure that the municipality receive early warning signs on service delivery issues. It is also evident that this progress is aligned to the SDBIP and performance agreements and plans of senior management to close any service delivery gaps that can emerge. Municipality has achieved level 4 which is 96% on assessment scale of 1 to 6, compared with the previous 3.9 rating indicating continuous improvement in our governance processes.

Top twelve strategy risks are as follows:

No.	Strategic Risk
1	Services Delivery Failures
2	Financial Sustainability
3	Leadership and Government Risk
4	Ageing & Aged Infrastructure

5	Inadequate ICT governance & ICT Delivery risk
6	Fraud, Theft and Corruption
7	Inadequate skill set due to inability to attract & manage talent
8	Health, Safety & Security risks and Environmental welfare
9	Lack of competitiveness towards economic growth
10	Non Compliance with Legislation
11	Contracting & Contract Risk
12	Ineffective Spatial Planning

2.3.6. FRAUD AND CORRUPTION MANAGEMENT

Fraud and Corruption represent a significant potential risk to the Municipality's' assets, service delivery efficiency and reputation. The Municipality will not tolerate corrupt or fraudulent activities, whether internal or external to the institution and will vigorously pursue and prosecute any parties which engage in such practices or attempt to do so by all legal means available. Communities are also encouraged to report all incidents relating to fraud and corruption to the district shared hotline. As the Municipality we will ensure that all incidents reported are followed up and investigated. The hotline number is **0800 66 85 38** or fraud@makhado.gov.za or fraud@kpmg.co.za

2.3.7. EFFECTIVENESS OF INTERNAL CONTROL

The accounting officer/Municipal Manager has committed Makhado Municipality to a dynamic integral process that is continuously adapting to the changes the Municipality is facing as it is aligned to the principles of good corporate governance, as supported by Section 62(1)(C)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) and chapter 4 of King III Report (Third report on corporate governance of South Africa). Internal Control is recognised as an integral process that is effected by the Municipal's council, senior management, management and personnel as it is designed to address the risks faced by the Municipality and also to provide reasonable but not absolute assurance that in pursuit of the Municipality's mission and vision. Based on the above-mentioned, the following general objectives of Internal Controls are being achieved:

- Executing orderly, Ethical, Economical, Efficient and Effective Operations
- Fulfilling Accountability obligation
- Complying with applicable laws and regulations
- Safeguarding of Resources against loss, misuse and damages

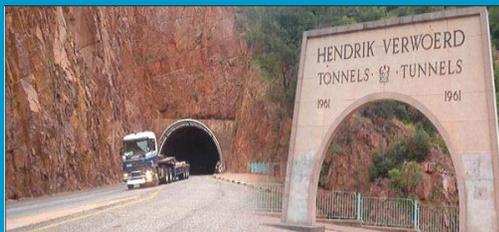
The Municipality has done a lot in ensuring that the general objectives of internal controls are achieved by creating and establishment of the following structures:

- Risk Management Unit
- Internal Audit Unit
- Performance Management Unit
- Anti-Fraud and Risk Management Committee chaired by an Independent person
- Audit and Performance Audit Committee chaired by an Independent person
- Municipal Public Accounts Committee
- Any other governance committee structure



CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT



ANNUAL REPORT 2015/2016



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1. OVERVIEW OF SERVICE DELIVERY

According to Census 2011, Makhado municipality service delivery backlog is summarized as follows:

<u>Service</u>	<u>Number</u>
Potable Water	129 224
Sanitation	66 048
Refuse Removal (household)	88 252
Housing	16 807

The electricity backlog amounts to 10 507 households which includes Eskom distribution area within the municipal jurisdiction and it is predominantly comprised of new extensions. This backlog was determined by consolidation of data collected by respective Ward Councillors in affected areas and it is more realistic.

3.1.1. Overview of capital projects implemented

The municipality has successfully implemented five (5) roads infrastructure projects in which four (4) major bridges were constructed for stormwater management, a landfill site and six (6) electrification projects. One road and stormwater project, three (3) electrification projects and a sport facility have rolled over to the financial year 2016/2017. Designs were completed for ten (10) infrastructure projects which have been advertised for construction in the financial year 2016/2017.

3.1.2. Bulk wastewater treatment works: Makhado Town

Vhembe District Municipality (VDM) is responsible for wastewater treatment works and related activities as the Water Services Authority (WSA) in the municipal area. There is a wastewater treatment plant in Makhado Town which was completed by VDM in the 2013/2014 financial year. VDM envisages upgrading the capacity of the wastewater treatment plant to 10 mega liters per day in future, pending the availability of funds.

3.1.3. Electricity connections performed

A total of five thousand eight hundred and twenty eight (5828) households have been supplied with electricity connections in 2015/2016 of which four thousand five hundred and thirty seven (4537) households were energized by Eskom and one thousand two hundred and ninety one (1291) households by the municipality. In terms of the municipality's electricity licensed area, all households have already been originally provided with electricity and work in these areas involves post connections where villages were extended or provisioning of additional supply points in terms of the supply policy. This additional connections made by both ESKOM and the municipality in the financial year 2015/16 have reduced the electricity services backlog by a solid 4.3%.

3.1.4. Roads Upgrading and Rehabilitation

The municipality has upgraded five (5) roads in rural areas from gravel to asphalt while some of the streets were rehabilitated in Makhado Town. The roads are comprised of three (3) municipal access roads and two (2) provincial collector roads. The total lengths of roads which were successfully upgraded amount to 16km.

3.2. BASIC SERVICES

Below is information relating to water; wastewater (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 bulk water resources are insufficient to meet the current population demand. There are five (5) raw water sources (RWS) i.e. Vondo RWS, Mutshedzi dam RWS, Tshitale dam RWS, Middle Letaba dam RWS and Albasini dam RWS which are unable to meet the growth in population demand. These RWS are not sufficient to even meet the minimum requirements of the Department of Water and Sanitation's White Paper of 1994 and the Guidelines for Human Settlement Planning and Design. According to the guidelines, the maximum walking distance to a communal water tap is 200m with 98% reliability or at least 25 litres of potable water per person (capita) per day.

The existing infrastructure particularly in Makhado Town and proclaimed townships is aged and results with frequent pipe breakages. Majority of the two hundred and ninety seven (297) rural villages in the municipal are served by means of communal stand pipes/taps with water being sourced from boreholes which are not a reliable source of water supply.

The Makhado Municipality has inadequate and fragmented water service provision with different standards and plans. There is inadequate water provision for agricultural use, which is one of the main pillars of job creation and this threatens the local economic development. Unauthorized water connection is also amongst the key challenges of the municipality and this amounts to unaccounted water loss and unfair distribution of this scarce commodity. The water systems are not metered and monitored on continuous basis.

Makhado Municipality is since 2003 not the Water Service Authority (WSA) in its own municipal area, but performs the operational function of water in terms of a Service Level Agreement on behalf of VDM as the Water Service Provider (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. The municipality is not being reimbursed by VDM for expenditures incurred for water provisioning in keeping with the mentioned agreement.

Table 8: 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%
2014/15	58%	58%	35%
2015/16	58%	58%	35%

3.2.2. SANITATION SERVICES (SEWER)

About two hundred and ninety seven (297) rural villages do not have proper sanitation facilities and individual households have to dig own pit latrines or be provided by government. Approximately eight thousand two hundred and fifty one (8, 251) households do not have sanitation facilities 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, shortage of water supply impacts on water-borne sewerage systems because solid effluents cannot consistently flow in the sewage pipes resulting with substantial blockages. The existing sewer mains are aged and frequently collapse underground causing sewer pipes to block. This results with spillage of sewage and to some

extent the contamination of the nearby natural streams which is against the National Environmental Management Act.

Since 2003, Makhado Municipality is not a Water Service Authority (WSA) in its own municipal area, but performs the operational function of water in terms of a Service Level Agreement on behalf of VDM as the Water Service Provider (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. The municipality is not being reimbursed by VDM for expenditures incurred for water provisioning in keeping with the mentioned agreement.

Table 11: Access to Sanitation

Description	2012/13	2013/14		2014/2015		2015/16		
	Outcome	Target	Actual	Target	Actual	Target	Actual	Remedial Action
	No.	No.	No.	No.	No.	No.	No.	
<i>Sanitation/sewerage: (above minimum level)</i>								
Flush toilet (connected to sewerage)	19,553	None	None	None	None	None	None	None
Flush toilet (with septic tank)								None
Chemical toilet	0	None	None	None	None	None	None	None
Pit toilet (ventilated) VIP Toilets	76,773	4000	4000	5000	4 505	2181	1390	None
Other toilet provisions (above minimum service level)		None	None	None	None	None	None	None
<i>Minimum Service Level and Above sub-total</i>	96,326	None	None	None	None	None	None	None
<i>Minimum Service Level and Above Percentage</i>	71,4	None	None	None	None	None	None	None
<i>Sanitation/sewerage: (below minimum level)</i>	9,734							None
Bucket toilet	748	None	None	None	None	None	None	None
Other toilet provisions (below minimum service level)	0	None	None	None	None	None	None	None
No toilet provisions	8,986	None	None	None	None	None	None	None
<i>Below Minimum Service Level sub-total</i>	9,734	None	None	None	None	None	None	None
<i>Below Minimum Service Level Percentage</i>	7.2	None	None	None	None	None	None	None

Makhado Municipality is the beneficiary on water services provision from the WSA. The information provided from the IDP of the WSA is a district wide data (not specific to local municipalities).

Table 9: Service Targets

Financial Year	2012/13		2013/2014		2014/2015		2015/2016		
Service Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action
Number of Households (HHs) provided with minimum sanitation during the year	None	None	25 112	25 112	None	None	None	None	None
			8 251	8 251					

*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 ten thousand five hundred and seven (10507) 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. There are households which rely on their own solar grids as sources of energy however the census statistics indicate that there is no solar energy in the municipality. These households install solar grids without the consent of the municipality. Please refer to table 14 below.

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 key issues for 2015/16 were:**

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

Table 10: Electricity Service Delivery Levels

Electricity Service Delivery Levels				
Households				
Description	2012/13	2013/2014	2014/2015	2015/2016
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Electricity (at least minimum service level)	86060	90120	94626	99357
<i>Energy:</i> (below minimum level)	34693	35562	35918	39509
Total number of households	120753	125682	130544	39509

Table 11: Service Targets

Financial Year		2013/2014		2014/2015		2015/2016		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<i>Provision of minimum supply of electricity</i>	Number of HHs below minimum supply level	1046	1046	471	471	1180	746	Need more funding

Table 12: Electrification Projects 2015/16: Electricity services

NO	DESCRIPTION	SOURCE	BUDGET	EXPENDITURE
1	Magau/ Makhitha/ Tshikodobo/ Zamekomste	Income	2 677 361.02	2 048 610.83
2	Tshiozwi & Gogobole	Income	2 251 669.00	2 095 993.33
3	Rahamantsha & Riverside	Income	1 244 880.00	1 118 480.69
4	Madadonga & Manavhela	Income	2 611 261.00	2 484 290.16
5	Makhushu	Income	1 078 611.00	1 076 668.13
6	Wasigalaza phase_2 & Xitachi village	INEP	8 826 487.19	7 801 605.29
7	Sukani village	INEP	187 838.00	R 0.00
8	Ratombo sections(Tshituni tsha fhasi)	INEP	3 219 000.00	2 742 388.23
9	Mukondeni & Freedom- Lusaka sections	INEP	153 000.00	0.00
10	Mamburu	INEP	3 230 399.81	2 737 029.81
			15 616 725.00	13 281 023.33

3.2.3.6 Performance Summary of Electricity services overall

- The municipality spent 100% of the INEP grant.

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 2016/17. 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 120 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, 906, 66 m² 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 forty (40) 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 10 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

3.2.4.3. 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 13: Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels				Households	
Description	2013/2014	2014/2015	2015/2016		
	Actual	Actual	Actual	Remedial Action	
	No.	No			
<i>Solid Waste Removal: (Minimum level)</i>				None	
Removed at least once a week	10 998	12787	19149	None	
<i>Minimum Service Level and Above sub-total</i>	10 998	12787	19149	None	
<i>Minimum Service Level and Above percentage</i>	8%	9.13%	14,8%	None	
<i>Solid Waste Removal: (Below minimum level)</i>				None	
Removed less frequently than once a week	0	0	0	None	
Using communal refuse dump	0	0	0	None	
Using own refuse dump	0	0	0	None	
Other rubbish disposal	0	0	0	None	
No rubbish disposal	118 667	116978	110516	None	
<i>Below Minimum Service Level sub-total</i>	118 667	116878	110516	To reduce the number of un-serviced households by at least 2%	
<i>Below Minimum Service Level percentage</i>	91.5%	90.13%	85.2%	None	

Total number of households	10 998	12787		19149	None
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Table 14: Households - Solid Waste Service Delivery Levels below the minimum

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2012/13	2013/14	2014/15	2015/16		
	Actual			Original Budget	Adjusted Budget	Actual
	No.			No.	No.	No.
Formal Settlements						
Total households	129 665	129 665	129 665	129 665	129 665	19149
Households below minimum service level	116978		116878		110516	
Proportion of households below minimum service level	92%	90.13%	90.13%	92%	85.2%	14.8%
Informal Settlements						
Total households	0.00	0.00				
Households below minimum service level	0	0		0.00	0.00	0.00
Proportion of households below minimum service level						

Table 15 Service Targets

Waste Water (Sanitation) Service: To maintain clean, healthier and safe environment for the community.										
Service Indicators: Number of households served with a provision of weekly collection service										
Financial Year		2011/12		2012/13		2013/14		2014/15		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action
Service objectives:										
Provision of weekly collection service per household (HH)	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	12787	12787	None
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	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%	2%	None

Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.				40 %	42%	42%	45%	45%	None
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.				1		1	1	1	None

Table 16 Capital Expenditure 2015/16: Waste Management Services

Project Name	Location	Budget
Development of the new landfill site	Eltivillas	R 5 000 000.00
Rehabilitation of the existing landfill site	Eltivillas	R 4 000 000.00
Purchase of waste skip bin cover nets	Eltivillas	R 10 000.00
Purchase of LDV	Eltivillas	R 300 000.00

3.2.4.4. 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.

Table 17: Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels				
Description			Households	
	2013/2014	2014/2015	2015/2016	
	Actual	Actual	Actual	Remedial Action
	No.	No		
Solid Waste Removal: (Minimum level)				None
Removed at least once a week	10 998	12787	19149	None
<i>Minimum Service Level and Above sub-total</i>	10 998	12787	19149	None
<i>Minimum Service Level and Above percentage</i>	8%	9.13%	14,8%	None
Solid Waste Removal: (Below minimum level)				None
Removed less frequently than once a week	0	0	0	None
Using communal refuse dump	0	0	0	None
Using own refuse dump	0	0	0	None
Other rubbish disposal	0	0	0	None
No rubbish disposal	118 667	116978	110516	None
<i>Below Minimum Service Level sub-total</i>	118 667	116878	110516	To reduce the number of un-serviced households by at least 2%
<i>Below Minimum Service Level percentage</i>	91.5%	90.13%	85.2%	None

Total number of households	10 998	12787		19149	None
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Table 18: Households - Solid Waste Service Delivery Levels below the minimum

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2012/13	2013/14	2014/15	2015/16		
	Actual			Original Budget	Adjusted Budget	Actual
	No.			No.	No.	No.
Formal Settlements						
Total households	129 665	129 665	129 665	129 665	129 665	19149
Households below minimum service level	116978		116878		110516	
Proportion of households below minimum service level	92%	90.13%	90.13%	92%	85.2%	14.8%
Informal Settlements						
Total households	0.00	0.00				
Households below minimum service level	0	0		0.00	0.00	0.00
Proportion of households below minimum service level						

Table 19 Service Targets

Waste Water (Sanitation) Service: To maintain clean, healthier and safe environment for the community.										
Service Indicators: Number of households served with a provision of weekly collection service										
Financial Year		2011/12		2012/13		2013/14		2014/15		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action
Service objectives:										
Provision of weekly collection service per household (HH)	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	12787	12787	None
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	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%	2%	None

Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.				40 %	42%	42%	45%	45%	None
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.				1		1	1	1	None

Table 20 Capital Expenditure 2015/16: Waste Management Services

Project Name	Location	Budget	Adjusted Budget	Progress Made	Challenges	Measures for Improvements
Development of the new landfill site	Eltivillas	R 5 000 000.00		Target not achieved. Evaporation pond, waste disposal cell, groundwater monitoring boreholes, access road and appointment of service provider for the construction of recycling shed done.	Late appointment of service provider for the construction of recycling shed due to the re-advertisement of the tender.	To fast track the construction of the recycling shed (to be finished within three months).
Rehabilitation of the existing landfill site	Eltivillas	R 4 000 000.00		Target not achieved. Clearing and flattening of the site and supplying of the soil to cover waste.	The full rehabilitation of the site is pending for the completion of the development of the new landfill site.	To speed up the finalization of the development of the new landfill site.
Purchase of waste skip bin cover nets	Eltivillas	R 10 000.00		Target achieved		
Purchase of LDV	Eltivillas	R 300 000.00		Target not achieved	The tender was cancelled	

3.2.4.5. 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.

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 2015/2016 indicates the housing backlog at 16,807 units.

Housing Service Objectives: To facilitate provision of quality housing											
Service Indicators: Number of people included in the data base											
Financial Year	2012/2013		2013/2014		2014/2015		2015/2016		2016/2017		
Service Targets	Target	Actual	Remedial Action								
Service Objectives	950	950	880	879	800	660	600	596	400	67	To follow up with service providers to speed up the process of construction

3.3. DELIVERY OF FREE BASIC SERVICES

Council adopted a Tariff and Free Basic Services Policy for the 2015/16 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."*

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		2012/13		2013/14		2014/2015		2015/2016		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action
Service Objectives:										
Provision of alternative support to	Water	50,075		38,204		60,375		38204	38204	None
	Sanitation	4,992		8,251		90,430		8251	8251	None

low income households that do not receive all Free Basic Services	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

Table 21: Free Basic Service Targets

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 2015/16 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 to be accessible even in summer seasons during heavy rain falls.

Due to the roads that have not been maintained and upgraded or well developed, this 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 some of the roads are being upgraded from gravel to tar over a term of years.

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 is not yet gazetted.

Table 22 Gravel Road Infrastructure

Gravel Road Infrastructure				
				Kilometers

	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Gravel roads graded /maintained
2010/11	4400km	0	8km	
2011/12	4392	0	21.8KM	6014km
2012/13	4370	0	12KM	6014km
2013/14	4347	0	23km	3445km
2014/15	4324	0	6km	4318km
2015/16	4308	0	16km	4308km

Table 23 Asphalt Road Infrastructure

Asphalt Road Infrastructure					
Kilometers					
	Total asphalted roads	New asphalt roads	Existing asphalt roads rehabilitated	Existing asphalt roads re-sealed	Asphalt roads maintained
2011/2012	26.3km	21.8KM	4.5KM	21.8KM	6014KM
2012/2013	15km	12km	3km	12km	6014km
2013/2014	23km	17.9km	5.1km	17.9km	3445km
2014/2015	24km	6km	16km	16km	3445km
2015/2016	16km	16km	0km	0km	3461km

Table 24 Cost of Construction/Maintenance:

Cost of Construction/Maintenance:					
					R' 000
	Gravel			Asphalt	
	New	Gravel – Asphalt	Maintained	New	Re-worked
2010/11		0	0	0	0
2011/12		170M	36.8M		4.0M
2012/13		0	0	0	0
2013/14		0	0	55m	12.4m
2014/15		118.3M	0	0	27.2M
2015/16		112.6M	11.1M	112.6M	0

During the year under review the municipality experienced challenges with the engagement of the graders as they were often out of operation. The municipality appointed eight (8) service providers for grading and re-gravelling of streets in all regions.

Table 25 Capital Expenditure 2015/16: Road Services

Project Name	Budget	Budget Adjustment	Actual Spending	Variance	Value of the Project
Tshivhazwaulu to Rasivheshela Access road and bridge	R19 920 672.11	R22 420 672.11	R21 964 818.24	R455 853.87	R34 721 000
Magau Access Road	R21 848 466.41	R21 848 466.41	R18 446 714.45	R3 401 751.96	R31 500 000
Madzuwa Bridge and Access road	R4 281 252.84	R4 281 252.84	R4 192 490.32	R88 762.52	R8 500 000
Makhado new landfill site development	R5 599 366.72	R5 599 366.72	R5 599 366.72	0	R45 486 000
Chavani to Bungeni access road	R17 795 130.10	R19 689 296.81	R19 689 296.81	0	R44 461 031
Vuwani sports facility	R4 492 677.57	R4 492 677.57	R4 171 723.71	R320 953.86	R15 595 200
Sereni to Mashamba Post Office road	R4 398 957.94	R4 398 957.94	R4 398 957.94	0	R57 309 054
Ledig farms access road	R18 193 701.10	R15 403 183.10	R15 403 183.10	0	R28 604 291.49
Piesanghoek to Khunda Road	R6 300 000	R6 300 000	R6 300 000	0	R36 000 000

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 26 Developments of Municipal Roads

<i>Development of municipal roads as required</i>	18.6 kms of municipal roads developed
2009/10	8km

2010/11	21.8km
2011/12	12km
2012/13	23km
2013/14	25.2km
2014/15	26km
2015/16	21.9km

Storm water management structures are provided for during the designs and construction of roads. This is attributed to municipality financial status.

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 27 Transport: Vehicle Licensing & Traffic Services

	2014/2015			2015/2016		
	Actual Budget	Original Budget	Adjustment	Actual Budget	Original Budget	Adjustment
Department of Transport 80%	R14' 077, 782.13	R14' 077, 782.13	-	R 161 37 832.97	R 161 37 832.97	-
Municipality 20%	R4'222,711.80	R4'222,711.80	-	R 396 5824.98	R 396 5824.98	-

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.

3.4.3.3 Municipal crematoria and heritage

There is one crematorium which is mostly used by the Muslim community. 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 ten (10) community halls which are managed and controlled for use by members of public. More community halls are needed and the municipality will budget for some in the outer years using the municipal infrastructure grant.

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 28 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 programmers meeting coordinated and supported.										
Financial Year	2012/13		2013/2014		2014/2015		2015/2016			
Service Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action	
Service Objectives:										
<i>Women's Forum</i>		4	4	4	3	4	4	4	4	None
<i>Senior Citizen Forum</i>		4	4	4	3	4	4	4	4	None
<i>Youth Programme</i>		4	4	4	3	4	4	4	4	None
<i>Moral Re generation</i>		0	0	0	0	4	4	4	4	None

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 29 Municipal Infrastructure Grant Expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2015/16 on Service backlogs						
						R' 000
Details	Budget Approved	Adjustment Budget Approved	Actual Expenditure	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	R112 264 000	0	R112 264 000	0	0	None
<i>Storm water</i>	Included above					

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.

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 2015/16); 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 30 Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning application received	01	0	45	102	110	497
Determination made in year of receipt	01	0	45	102	110	497
Determination made in following year	01	01	00	N/A	N/A	N/A
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	01	0	0	0	0	0

Table 31 Spatial planning Targets

Service Indicators		2014/15		2015/16		
Service Targets		Target	Actual	Target	Actual	Remedial Action
<i>Determine planning application within a reasonable timescale</i>	Approval or rejection of all build environment applications within a x weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within 12 weeks	
	Reduction in planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	
Formalization of sites		1	0			
Demarcation of sites					58	None
Building plans approved					497	None
PTO application assessed		80	205		36	None
EIA report		1	1	N/A		Completed
Erven alienated				Depend on applications to purchase municipal land	17	

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 32 Sector of the Economy in Makhado

Sector	2013/14	2014/15	2015/16
	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%

Sector	2013/14	2014/15	2015/16
	No.	No.	No.
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 33 Jobs Created during 2015/16 by LED Initiatives (Excluding EPWP projects)

Jobs Created during 2015/16 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
Upgrading of Tshakhuma Fruit Market	300	n/a	300	Existing traders supported.
Community Works Program supported by COGTA implemented in 8 wards in Makhado Municipality	1345	13	1540	Completed contracts
MLM/Transnet/Furntech Furniture Manufacturing Incubator	35	5	30	Completed contracts

Table 34: EPWP jobs

Job creation through EPWP* projects		
Year	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2013/2014	n/a	n/a
2014/2015	n/a	n/a
1015/2016	n/a	n/a

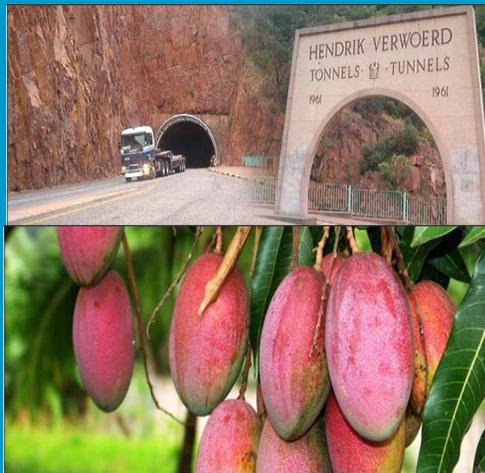
Table 35 Local Economic Development Policy Objectives Taken From IDP

Local Economic Development Policy Objectives Taken From IDP			
Service Objectives: Creation long term sustainable and integrated economic growth and rural development			
<i>Service Indicators</i>	Number of jobs created through LED		
Service Targets	2013/14	2014/15	2015/16
Service Objective:			
<i>e.g. Training of people in essential skills: x, y, z</i>	People to be trained		
Training of local builders in bricklaying/plastering/plumbing and painting by the NHBRC		300	0
Projects assessed	3	10	10
Projects supported	3	3	06
SMMEs cooperatives identified supported	240	325	0
Makhado Annual Show			73
Mbofhamo Brickmaking			14
Phaphama Agriculture Cooperative			15
Nthabalala cooperative			05
Vhumatshelo cooperative			06
Zwidonaka Brickmaking			06
Mulima Cooperative			09

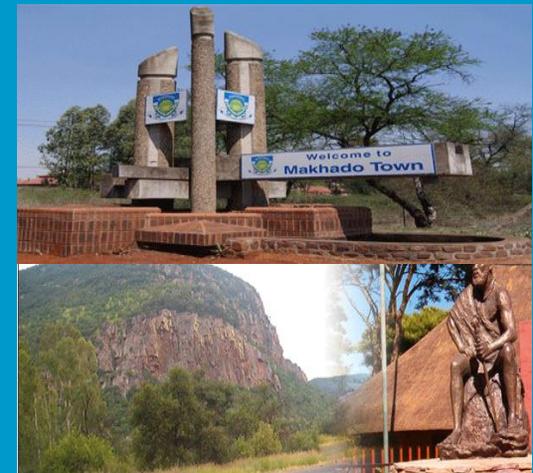


CHAPTER 4

THE MUNICIPAL PERSONNEL



ANNUAL REPORT 2015/2016



CHAPTER 4: MUNICIPAL PERSONNEL

COMPONENT A: MUNICIPAL WORKFORCE

4.1. EMPLOYEES PER DEPARTMENT

As at 30 June 2016, the Makhado Municipality had a total workforce of seven hundred (700) 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 (700) employees at 30 June 2016.

Table 36 Number of employees per departments

Name of Department	Number of Employees
Office of the Mayor	7
Office of the Speaker	4
Department Municipal Manager	8
Department of Budget and Treasury	75
Department of Development Planning	24
Department of Community Services	168
Department of Technical Services	178
Department of Corporate Services	38
Dzanani Regional Office	58
Vuwani Regional Office	61
Waterval Regional Office	78
TOTAL NUMBER OF EXISTING STAFF	700

A large number of employees is attached to the Technical Services Department and the Department of Community Services respectively. The large number is attributed to the nature of department which is service delivery oriented. The employees enjoy benefits such as pension, medical aid, UIF, annual leave and other allowances relevant to their department. There are two recognized workers' unions at Makhado Municipality, i.e. IMATU and SAMWU. The continuous engagement with organized labor is done at the level of the Local Labor Forum to ensure that there is worker's stability and also to consult employees on matters of common interest. The 2015/2016 financial year never experienced any industrial actions by labor. The Municipality 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 include managers, assistant managers and regional administrators.

Table 37 Employees Comparison

Employees					
Description	2015	2015/16			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	Nil	Nil	Nil	Nil	
Waste Water (Sanitation)	41	53	41	10	
Electricity	81	232	81	7	
Waste Management	88	60	88	3	
Housing	Nil	Nil	Nil	Nil	
Waste Water (Storm water Drainage)	Nil	Nil	Nil	Nil	
Roads	154	115	154	14	

Transport	Nil	Nil	Nil	Nil	
Planning	12	41	12	6	
Local Economic Development	7	6	7	0	
Planning (Strategic &Regulatory)	Nil	Nil	Nil	Nil	
Local Economic Development	7	6	7	12	
Community & Social Services	Nil	Nil	Nil	Nil	
Environmental Protection	Nil	Nil	Nil	Nil	
Health	Nil	Nil	Nil	35	
Security and Safety	Nil	Nil	Nil	86	
Sport and Recreation	69	66	69	Nil	
Corporate Policy Offices and Other	49	58	49	10	
Totals	508	637	508	7	

Table 38 Vacant posts

Vacancy Rate 2015/16			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
	No.	No.	%
Director Technical Services	1	1	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)	3	0	0
Senior management: Levels 0-3 (excluding Finance Posts)	9	0	0
Senior management: Levels 0-3 (Finance posts)	2	0	0
Highly skilled supervision: levels 4-8 (excluding Finance posts)	47	0	0
Highly skilled supervision: levels 4-8 (Finance posts)	13	0	0

4.2 Employee turnover

A number of one hundred and fifty eight (158) vacant posts which were budgeted for existed on the approved organizational structure by June 2015/2016 financial year. In the year under review the municipality filled 61 posts. 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 39 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.	
2015/16	25	48	0

4.3 Organizational Structure

The full functionary lines can more fully be viewed in the 2014/15 organogram attached in the Appendices at the end of this report as Annexure B. The following six departments were in existence during the year 2014/2015:

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 one (1) staff member and function is still with MLM)
- Public Library Services
- Public swimming pools
- Municipal Parks
- Cemeteries and crematorium
- Municipal Pounds
- Waste management
- Caretaker and Cleaning services of municipal buildings

WASTE MANAGEMENT

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

PARKS AND RECREATION

- Maintenance of parks,
- Maintenance and running of public swimming pools, cemeteries and crematorium
- Running of Municipal Pounds

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:

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
- Occupational Health and Safety services and compliance

Section: Employee Assistance Programme

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

ADMINISTRATION AND COUNCIL SUPPORT SERVICES

Section: Administration and Council Support

- Committee Services
- Administration
- Support services to all municipal departments

Section: Auxiliary Services

- Records and Archives

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
- Telephone communication systems

LEGAL SERVICES

- Legislative Drafting
- Litigation
- Legal Research (Opinion / Advice / Interpretation)
- Contract drafting
- Prosecution and presiding in the Disciplinary Tribunal / Bargaining Council
- Employment Equity
- Labor Related Policies
- Local Labor Forum
- Dispute Resolution

COMMUNICATIONS

- Communication and Publicity Services

OFFICE OF THE SPEAKER

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

OFFICE OF THE MAYOR

- Office of the Mayor
- Office of the Speaker (including municipal councilor support activities)

- Gender desk
- Youth desk
- Aged desk
- Disability desk
- Arts and Culture
- Special Programs and Culture Services

4.3.3 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 councilors
- Assist contractors, councilors 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 councilors
- 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 DEPARTMENT OF BUDGET AND TREASURY

REVENUE

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

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

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

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

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 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

BUILDING

- Maintenance of Municipal infrastructures

PROJECT MANAGEMENT UNIT

- Management of project infrastructure

4.3.6 OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager's office consists of performance management (2 officials), internal audit (3 officials), risk management (1 official) and integrated development (1 official).

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 1st 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 40 Directors in 2015/2016

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	Female
4. Mr N C Kharidzha	Director Corporate Services	Male
5. Mr Molokomme CW	Director Technical Services	Male
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-coordinating 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-coordinating 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. Some managers report directly to the municipal manager e.g. Manager Performance Management and Manager Internal Audit

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.

NAMES	POSITION		GENDER
Shilenge RR	Manager	MM's office	M
Sidimela P	Manager	MM's office	M
Phalanndwa R V	Manager	Corporate Services	M
Caroto M S	Manager	Corporate Services	F
Lukheli H J	Manager	Corporate Services	M
Bobodi A L	Manager	Corporate Services	M
Mathivha N A	Manager	Budget and Treasury	M
Radzilani R	Manager	Budget and Treasury	M
Lubisi E	Manager	Budget and Treasury	F
Ragimana L	Manager	Technical Services	M
Joubert E J	Manager	Technical Services	M
Mathonsi S A	Manager	Development Planning	M
Mobbie H P	Regional Manager	Corporate Services	M
Mabila TG	Regional Manager	Corporate Services	F
Mulaudzi MH	Regional Manager	Corporate Services	M
Kgopa A	Assistant Manager	MM's office	M
Tshikosi K N	Assistant Manager	MM's office	M
Tshishonga T A	Assistant Manager	Corporate Services	M
Nekhavambe N S	Assistant Manager	Corporate Services	F
Maboko B F	Assistant Manager	Corporate Services	F
Shiringane T E	Assistant Manager	Corporate Services	F
Murashiwa L	Assistant Manager	Budget and Treasury	F
Mabirimisa D P	Assistant Manager	Budget and Treasury	F
Tshikosi M C	Assistant Manager	Budget and Treasury	M

NAMES	POSITION		GENDER
Munzhelele O	Assistant Manager	Community Services	M
Mokiri H B	Assistant Manager	Community Services	M
Nndwakhulu N P	Assistant Manager	Community Services	M
Matodzi T	Assistant Manager	Technical Services	M
Thanyani NG	Assistant Manager	Development Planning	M

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 41 Policies – 2015/16

<p><u>Information and Communication Policies</u></p> <ol style="list-style-type: none"> 1. Anti-Virus Policy 2. Email server Policy 3. File Exchange Policy 4. Network Exploit Policy 5. Other Malware Policy 6. Policies and Procedures for Admin Systems (Administration Security Systems) 7. Electronic Mail Acceptable Use Policy 8. Internet Acceptable Use Policy 9. Password Policy 10. I C T Equipment Usage Policy 11. Disaster Recovery Plan 12. User Account Access Policy 	<p><u>Auxiliary Services Policies</u></p> <ol style="list-style-type: none"> 13. Records Management Policy 14. Correspondence Management Policy (and Procedure Manual) 15. Registration Procedure Manual and Policy 16. Instruction to Registry Head Policy 17. Agenda Delivery Policy 18. Dress Code Policy
<p><u>Communication Policies</u></p> <ol style="list-style-type: none"> 19. Website Administrative Policy 20. Stakeholders Management Framework Policy 21. Communications Strategy 	<p><u>Councilors' Affairs Policies</u></p> <ol style="list-style-type: none"> 22. Ward Committees: Establishment and Operations Policy 23. Guidelines for the Establishment and Operation of Municipal Ward Committees 24. Cellular phone policy (for councilors)
<p><u>Human Resources Policies</u></p> <ol style="list-style-type: none"> 25. Retention Strategy Policy 26. Training and Development Policy 27. Overtime Policy 28. Employment Practices Policy 29. HIV/Aids in the Workplace Policy 30. External Bursary Policy 31. Sports Management Policy 	<p><u>Community Services Policies</u></p> <ol style="list-style-type: none"> 32. Waste Management Policy 33. Disaster Management Policy

<p><u>Budget and Treasury Policies</u></p> <p>34. Expenditure Management Policy</p> <p>35. Petty Cash Policy</p> <p>36. Travel And Subsistence Policy</p> <p>37. Approved Funding And Reserves Policy</p> <p>38. Supply Chain Management Policy</p> <p>39. Policy And Principles On The Writing Off Of Irrecoverable Debt</p> <p>40. Policy On Subsidy Scheme For Indigent Households</p> <p>41. Tariff And Free Basic Services Policy</p> <p>42. Investment Of Funds Policy And Principles</p> <p>43. Property Rates Policy</p> <p>44. Credit Control And Debt Collection Policy</p> <p>45. Budget Policy</p> <p>46. Budget Virement Policy</p> <p>47. Municipal Long And Short Term Borrowing Policy</p> <p>48. Assets Management Policy</p>	<p><u>Town-planning Policies</u></p> <p>49. Densification Policy</p> <p>50. Land sales and Disposal Policy</p> <p>51. Anti-Fraud Policy</p> <p>52. Performance Management System Policy</p> <p><u>Electricity Policies</u></p> <p>53. Bush Clearing Policy</p> <p>54. Maintenance Policy</p> <p><u>Civic Engineering Policies</u></p> <p>55. Pavement Management Policy</p>
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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 Municipality's Medical Officer of Health 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 42 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	225	28	5	5	N/A
Temporary total disablement	None	None	None	N/A	N/A
Permanent disablement	None	None	None	N/A	N/A
Fatal	None	None	None	None	N/A
TOTAL	225	28	5	5	N/A

Table 43 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	58	28	10	5	N/A
Temporary total disablement	4	None	None	N/A	N/A
Permanent disablement	4	None	None	N/A	N/A
Fatal	None	None	None	None	N/A
TOTAL	66	28	10	5	N/A

Table 44 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 13-15)	90	90%	10 out of 50	280	15	7902.60
Skilled (Level 10-12)	20	10%	75 out of 100	48	10	7637.20
Highly skilled production (levels 9-12)	15	8%	65 out of 100	128	10	9242.00
Highly skilled supervision (levels 4-8)	40	6%	50out of 100	169	5	8584.05
Senior management (Levels 1- 3)	5	2%	5 out of 100	24	3	12555.96
MM and Dirs	None	1%	0 out of 6	6	1	5353.28
Total	170	117%	205		43	51275.09

4.5.2. Suspension**Table 45 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
Manager	Financial Misconduct	19 December 2014	The investigation into the matter took long to be finalised, The matter was first set down on the 19 th May 2015 and the hearing is still proceeding.	Pending

Table 46 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	Final written warning	15 June 2015
Assistant Artisan	Cable theft	Dismissal	08 April 2015
Traffic Officer	Misuse of Council Vehicle	Withdrawn	28 February 2014
Operator	Misuse of Council Vehicle	Final Written warning	18 February 2016
Volunteers	Swearing	Written warning	16 November 2015
Senior Clerk	Non-placement	Referred to and dismissed at Bargaining Council	20 January 2016
Clerk	Financial misconduct	Disciplinary hearing	Pending

Table 47 Human Resource Services Policy Objectives Taken From IDP

Human Resource Services Policy Objectives Taken From IDP
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Service Objectives	Outline Service Targets	2014/15	2015/16	*Following Year
To recruit more staff qualified and experienced staff	Improved service delivery and performance of staff	67	30	To fill all prioritised posts
Capacitated staff with evidence in productivity and efficiency and effectiveness	Skilled staff	175	151	To train 151 officials (135 employees and 16 councilors)

Table 48 Employees: Human Resource Services

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES Employees: Human Resource Services				
Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Total	Total	No.	
0 - 3	3	3	1	0
4 - 6	3	3	0	30
7 - 9	6	6	0	25
Total	12	12	1	

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 skills audit. The results of skills audit assist in compilation of the skills development plan or Workplace Skills Plan. The plan is submitted to LGSETA as a guiding document in terms of which training will be done for the particular financial year. Employees across all levels have been through the various capacity building programs. The total training costs for employees in 2015/2016 was 151,009.52 while for councilors was 1,825,477.18.

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 municipal functions and powers.

4.7.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

It 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.

INFORMATION AND COMMUNICATION TECHNOLOGY SECTION

Table 49 Employees: ICT Services

Employees: ICT Services

Job Level	2014/15			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	0
4 – 6 (IT dedicated)	1	1	1	66
7 – 9 (Telephones)	9	9	1	50
Total	10	10	2	54

4.7.2 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

A Senior ICT Officer graded on post level 5 was appointed in the 2014/15 financial year and 1 ICT Technician was appointed at level 7. The ICT Section functioned for the whole of the 2015/16 financial year with only two (2) dedicated IT staff members for computer systems support to municipal departments and remote offices. The ICT Section also takes care of all telephone communication systems at all municipal buildings. There are 3 vacant posts which have been advertised.

The **Capital projects** performed in this period consisted of the following -

- Upgrade municipal call center
- Upgrade network infrastructure
- Internet data line upgrade
- Replace UPS in server room
- Procure video editing software
- Procure ICT office equipment
- Hand held communication radios

The ICT Section completed 72% of its projects earmarked for the 2015/16 financial year.

COMPONENT D: WORKFORCE EXPENDITURE

During the year 2015/2016, the salary bill of the Municipality was R234 541 671. The workforce expenditure per category is as follows:

Table 50 Total Salaries

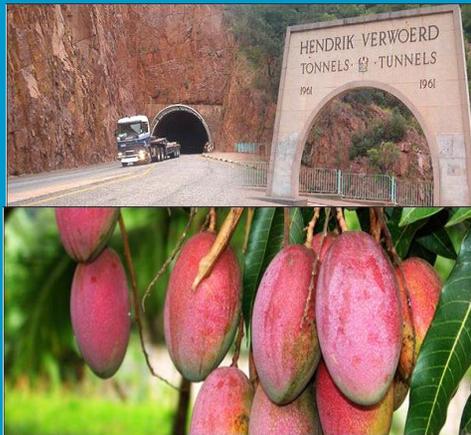
Category	Total Salaries paid for 2014/2015	Total Salaries paid for 2015/2016
Employees	201 865 584.00	212 743 322
Councillors	20 781 673.00	21 798 349

The Municipality uses the VIP Payroll Systems. Employees and including Councillors, receive printed payslips on a monthly basis. The pay day for the Municipality is the 25th of every month.

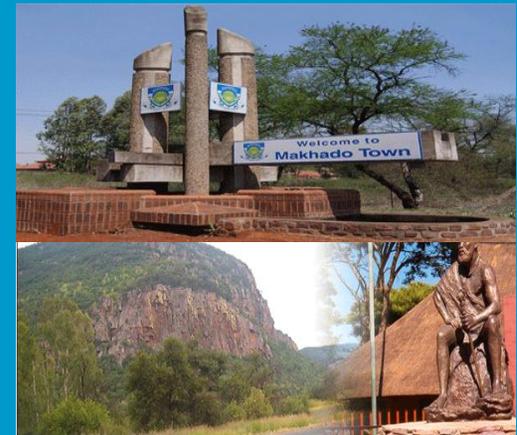


CHAPTER 5

STATEMENTS OF FINANCIAL PERFORMANCE



ANNUAL REPORT 2015/2016



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 0-1: Financial summary of the municipality as audited

Description	2014/15	Current Year 2015/16				
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustment Budget %
R thousands						
Financial Performance						
Property rates	40 639	43 642	49 711	51 666	-18%	-4%
Service charges	254 447	298 585	291 863	284 754	5%	2%
Investment revenue	11 550	3 285	3 785	7 214	-120%	-91%
Transfers recognised - operational	291 873	363 596	363 596	363 596	0%	0%
Other own revenue	44 738	42 483	31 378	50 590	-19%	-61%
Total Revenue (excluding capital transfers and contributions)	643 247	751 591	740 333	757 820	-1%	-2%
Employee costs	227 826	241 177	248 316	238 139	1%	4%
Remuneration of Councillors	21 798	22 610	24 997	22 758	-1%	9%
Depreciation & asset impairment	146 870	153 426	153 426	180 011	-17%	-17%
Finance charges	10 896	6 181	7 343	13 558	-119%	-85%
Materials and bulk purchases	183 246	216 939	224 239	219 288	-1%	2%
Transfers and grants	-	-	-	-	-	-
Other expenditure	172 090	194 796	215 263	204 277	-5%	5%
Total Expenditure	762 728	835 130	873 584	878 029	-5%	-1%
Surplus/(Deficit)	(119 481)	(83 539)	(133 251)	-129 209	-55%	3%
Transfers recognised - capital	154 981	129 264	189 264	138 153	-7%	27%

Description	2014/15	Current Year 2015/16				
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustment Budget %
Contributions & Contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	35 500	45 725	56 013	17 944	61%	68%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-
Surplus/ (Deficit) for the year	35 500	45 725	56 013	17 944	-61%	-68%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table C1						

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 2015/16 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*
- *Budget Virement*
- *Uniform Credit Control and Debt Collection policy*
- *Uniform Credit Control and Debt Collection by-law*
- *Borrowing Policy*
- *Expenditure Management Policy*
- *Framework for Cash-flow Management Policy*
- *Funding and Reserves Policy*
- *Tariff and Free Basic Services Policy*
- *Policy on Subsidy Scheme for Indigent Households*
- *Investment of Funds Policy*
- *Revenue Management Policy*
- *Petty Cash Policy*
- *Travel and Subsistence Policy*
- *Principles of Writing-off of Irrecoverable Debt*
- *Asset Management Policy*
- *Property Rates Policy*
- *Property Rates by-law*
- *Supply Chain Management Policy*

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 0-2: Treatment of the three largest assets acquired 2015/16

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16		
Asset 1		
Name	CONSTRUCTION OF ROBERT KHOZA(BUNGENI TO CHABANI) ROAD	
Description	Construction of Chabani to Bungeni road xxx km	
Asset Type	Roads and Storm Water	
Key Staff Involved	PMU Manager and Director Technical Services	
Staff Responsibilities	Project Management and Service Provider Monitoring	
	2013/2014	2014/2015 total project cost
	New project not rolled over	R 31 555 238.89
Capital Implications	Development of road Infrastructure and side bridge (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	
Policies in Place to Manage Asset	Yes	
Asset 2		
Name	CONSTRUCTION OF MAGAU ACCESS ROAD	
Description	Construction of access road in Magau village streets xxx km	
Asset Type	Road and storm water	
Key Staff Involved	Director Technical Services, manager PMU	
Staff Responsibilities	Project management and Co-ordinating	
	2013/2014	2014/2015
Asset Value	New project not rolled over	R25 787 513.87
Capital Implications	Proper access and control of vehicles for on the rehabilitated road and storm-water	

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16		
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	CONSTRUCTION OF TSHIVHAZWALU TO RASIVHETSHELA ROAD	
Description	Construction of access road to village Rasivheshela xxx km	
Asset Type	Road and storm water	
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
	New project not rolled over	R27, 687,607.67
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 0-3: Supporting Table SA8 Performance indicators and benchmarks (SA 8)

LIM344 Makhado - Supporting Table SA8 Performance indicators and benchmarks								
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
Borrowing Management								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.10%	0.00%	0.90%	19.10%	18.40%	3.80%	3.80%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Safety of Capital								
Gearing	Long Term Borrowing/ Funds & Reserves	2.20%	0.00%	0.00%	2.10%	2.10%	2.10%	2.10%
Liquidity								
Current Ratio	Current assets/current liabilities	2.2	1.61	1.61	1.19	1.19	1.18	1.18
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.2	1.2					
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.28	0.28	0.29	0.29	0.29	0.29
Revenue Management								
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	105.80%	102.80%					
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		102.80%	135.70%					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.90%	0.00%	17.70%	7.40%	7.50%	15.45%	15.45%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Creditors Management								
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))							
Creditors to Cash and Investments		1509.40%	273.60%					
Other indicators								
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.70%	34.10%	34.10%	32.10%	33.50%	33.50%	33.50%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.70%	39.10%					
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.60%	18.80%	18.80%	21.20%	21.70%	4.40%	4.40%
IDP regulation financial viability indicators								
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	54.3	12.8					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	34.90%	23.90%					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.3	1.4					

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.4. SPENDING ON 5 LARGEST PROJECTS

The following represent the capital spending against the capital budget:

Table 0-1: Capital Expenditure of 5 largest projects*

Capital Expenditure of 5 largest projects*				
R' 000				
Name of Project	Year 2015/16			Variance Current Year
	Adjusted Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Tshikota Upgrading of Streets	22 128 909.00	22 128 909.00	0%	0%
B – Eltivillas A & B Tarring of Streets	20 683 685.55	20 683 685.55	0%	0%
C – Ledig Access Road	19 089 143.41	19 089 143.41	0%	0%
D – Sereni Themba to Mashamba road	18 154 269.01	18 154 269.01	0%	0%
E – Rehabilitation of Town CBD	11 313 877.01	11 313 877.01	0%	0%
Projects with the highest capital expenditure in 2014/15				
Name of Project - A	Tshikota Upgrading of Streets			
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			
Name of Project - B	Eltivillas A & B Tarring of 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			
Name of Project - C	Ledig access road			
Objective of Project	To ensure community have access to village from N1 and industrial roads			
Delays	None			
Future Challenges	Maintenance of halls and safe guarding			
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas			
Name of Project - D	Sereni Themba to Mashamba road			
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			
Anticipated citizen benefits	Easy and comfortable access to community facilities and sports uses as multipurpose within municipal areas			
Name of Project - E	Rehabilitation of Town CBD			
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

COMPONENT C: CASHFLOW

5.5 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

- *Makhado municipality had 2 short term call accounts and 6 notice deposits at 30 June 2016.*
- *Makhado municipality has the following Borrowings:*
 - *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 0-2 : Actual Borrowings 2013/2014- 2015/16

Actual Borrowings 2013/14 – 2015/16			
R' 000			
Instrument	2013/14	2014/15	2015/16
<u>Municipality</u>			
Long-Term Loans - outstanding balances INCA LOAN			
Long-Term Loans - outstanding balances DBSA LOAN	5932	4 632	3 218
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	5932	4 632	3 218
Outstanding balances as at 30 June 2016			
DBSA : LOAN 1 R 2,472,010.98			
DBSA : LOAN 2 R 745,553.22			
INCA : Paid up			
Total : R 3,217,564.20			

Table 0-3: Municipal and Entity Investments

Municipal and Entity Investments			
R' 000			
Investment* type	2013/2014	2014/15	2015/16
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank	50,622	40,737	86,643

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			
Municipality sub-total	50,622	40,737	86,643
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers' Acceptance Certificates			
Negotiable Certificates of Deposit – Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	50,622	40,737	86,643
			T5.10.4

COMPONENT D: SUPPLY CHAIN MANAGEMENT

5.6 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. Both 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. Supply Management officials have attended training as indicated below:4

Description of course attended	Number of officials attended	Duration of course/training
MFMA Programme	1	Completed

During the financial year, the municipality incurred irregular expenditure as disclosed in the financial statements (refer to the audit report).

The following 45 tenders were awarded as depicted in the table below:

TENDER AWARDED FOR JULY 2015/16 FINANCIAL YEAR

Table 0-4: Tenders awarded for 2015/2016

Table 0-5

TENDERS AWARDED DURING 2015 AND 16 FINANCIAL YEAR					
	BID NO	SUCCESSFUL BIDDER	AMOUNT	DESCRIPTION	DATE AWARDED
1	21/2015	Genesis events	R 985 000.00	Provision of stage, sound system, VIP marquee package, barricades and artists show	07/07/2015
2	23/2015	Mabidi sons construction	As per rates and utilisation	Grading of village streets and access gravel roads	14/07/2015
		Delvis construction			
		Lutavha trading enterprise			
		Thelikes trading enterprise			
		Dzugu trading cc			
		Masheleni jc			
		MH costruction			

TENDERS AWARDED DURING 2015 AND 16 FINANCIAL YEAR					
BID NO	SUCCESSFUL BIDDER	AMOUNT	DESCRIPTION	DATE AWARDED	
	Ntwani funi trading & projects				
3	24/2015	Rems electrical construction	R 305 012.07	Upgrading and refurbishment of Magau and Tshiozwi villages	27/08/2015
4	25/2015	Madz electrical	R 373 657.80	Electrification of Magau to Makhitha / Tshikhodobo / Zamekomste villages	27/08/2015
5	26/2015	Humprey electrical	R 357 754.00	Electrification of Tshiozwi and Gogobole villages	27/08/2015
6	27/2015	Bvelela engineering	R339,876.14	Electrification of Ramantsha and Riverside villages	27/08/2015
7	28/2015	Risivi electrical contractor	R 384 978.00	Electrification of Manavhela and Madodonga villages	27/08/2015
8	19/2015	GROUP A	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Magekha electrical projects			
		Dikonaona trading projects			
9	19/2015	GROUP C	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Mapila wa Mashudu general trading			
		Dikonaona trading projects			
		Magekha electrical projects			
10	19/2015	GROUP D	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Magekha electrical projects			
		MLTS consulting			
		Nergy construction			
11	19/2015	GROUP E	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Collins Sebola financial services			
		Mapilela wa Mashudu general trading			
		MLTS consulting			
		Rengwi construction and services			
12	19/2015	GROUP F	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Point on service			
		MLTS Consulting			
13	19/2015	GROUP G	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		MLTS Consulting			
		Mapilela wa Mashudu general trading			
		Dikonaona trading			

TENDERS AWARDED DURING 2015 AND 16 FINANCIAL YEAR					
BID NO	SUCCESSFUL BIDDER	AMOUNT	DESCRIPTION	DATE AWARDED	
14	19/2015	GROUP H	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		H			
		nergy construction			
		tknd general trading and services			
		IBhoko transport and trading			
		Collins Sebola financials			
15	19/2015	GROUP I	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Point on service			
		MLTS Consulting			
		Tshabalala multi-service workshop			
		Mapilela wa Mashudu general			
16	19/2015	GROUP J	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Nergy construction			
		Safe ow engineering			
		Mokweretla general trading			
		Tuff tint polokwane			
17	19/2015	GROUP L	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		Safe ow engineering			
		Rehgwí construction and services			
		MLTS Consulting			
		Point on service			
18	19/2015	GROUP K	Depending on utilisation (unit cost based)	Supply and delivery of electrical materials for three years	14/09/2015
		MLTS Consulting			
		TD new look construction			
		Dikoanaona trading projects			
		Tknd general trading and services			
19	32/2015	Tough construction JV Ndamu construction service	R 2 445.00	Maintenance and operation of all council air conditioners for the period of three years	14/09/2015
20	29/2015	Madz Electrical	R 400 000.00	Repair of oil leak on power transformers	02/10/2015

TENDERS AWARDED DURING 2015 AND 16 FINANCIAL YEAR

	BID NO	SUCCESSFUL BIDDER	AMOUNT	DESCRIPTION	DATE AWARDED
21	30/2015	Cullin Africa	R 615 528.00	Supply and delivery of auto-reclosers and controllers	02/10/2015
22	33/2015	Brightside Electrical, Machavi Bukuta Business Enterprise, Kingki Electrical Contractors	R 907 157.49, R 909 385.27, R 910 602.36	Electrical Contractors for period of two years	02/10/2015
23	34/2015	Mogalemole Consulting Engineers, Volt Consulting Engineers, Kana's Consulting Engineers	Rates	Electrical Consultants for Electrification of villages in Eskom areas	02/10/2015
24	47/2015	Avax SA 222 CC	R 248 266.10	Supply and Installation of standby generator for Dzanani Testing Station	02/10/2015
25	37/2015	First Option Marketing and Distribution	R 419 044.00	Supply and delivery of diaries and calendars 2016	16/10/2015
26	48/2015	African Harvest Construction	R 505 000.00	Engineering services for energy efficiency demand side management project	16/10/2015
27	17/2015	SBV Services	R1 226 321.58	Cash collection ,transportation and security services for three years	16/10/2015
28	35/2015	Bvelela Engineering	R 199 525.57	Replacement of new 22(22kv feeder breaker) at Makhado main substation	16/10/2015
29	60/2015	Tukuta Electrical Contractors	R1 058 200.57	Upgrade Beaufort West line 22kv overhead line	10/12/2015
30	49/2015	Shila Business Enterprise	R 2 425.50 Per month	Lease of grazing padlock R2 Farm Rietvly 276 L.S	07/12/2015
31	50/2015	Gadisi Tshililo Patrick	R 2 500.00 per month	Lease of grazing padlock R5 Farm Rietvly 276 L.S	07/12/2015
32	52/2015	Pandelani Dan Neluheni	R 3 600.00 per month	Lease of grazing padlock R21 Farm Rietvly 276 L.S	07/12/2015
33	53/2015	Aifheli Andries Nengovhela	R3050.00 per month	Lease of grazing padlock R23 Farm Rietvly 276 L.S	07/12/2015
34	51/2015	LJ Malala Construction	R1150.00 per month	Lease of grazing padlock R6 farm Rietvly 276LS	07/12/2015
35	68/2015	Tshedza consulting engineers JV	As per government gazette	Appointment of consulting engineer for Mudimeli bridge	03/03/2016
36	69/2015	Victory development and projects	As per government gazette	Appointment of consulting engineer for Vuvha access road	03/03/2016
37	70/2015	Mont consulting engineers	As per government gazette	Appointment of consulting engineer for Tshikwarani, Manavhela, Zamekomste road	03/03/2016
38	71/2015	Morula consulting engineers	As per government gazette	Appointment of consulting engineer for Tshirolwe, Matsa and Manyi road	03/03/2016
39	72/2015	TM Africa engineering services	As per government gazette	Appointment of consulting engineer for Gombiti, Tshivhuyuni to Mphagi road	03/03/2016
40	73/2015	Dikgabo consulting	As per government gazette	Appointment of consulting engineer for Xitacini to Jiweni access road	03/03/2016
41	74/2015	Botshabelo consulting engineers	As per government gazette	Appointment of consulting engineer for Watervaal sport facility	03/03/2016

TENDERS AWARDED DURING 2015 AND 16 FINANCIAL YEAR					
	BID NO	SUCCESSFUL BIDDER	AMOUNT	DESCRIPTION	DATE AWARDED
42	78/2015	Godas holdings	R 602 000.00	Refurbishment and upgrading of civic centre park	03/03/2016
43	80/2015	Striking force civil and construction	R 693 120.00	Refurbishment and upgrading of market park	04/03/2016
44	81/ 2015	Vhashumi garden	R 840 250.00	Request for proposals for the development of ERF 5047 park at Makhado park	07/03/2016
45	84/2015	Quintax 212 CC	R 465 507.03	Construction of Tshituni tsha fhasi cemetery fencing	24/02/2016
46	86/2015	Nkomazi business enterprise	R 369 409.62	Construction of Madodonga cemetery fencing	24/02/2016
47	89/2015	MVE Consulting engineers	As per government gazette	Appointment of consulting engineer for Vuwani Sibudi to Vyeboom access road	03/03/2016
48	90/2015	Nkomazi business enterprise	R 369 407.62	Construction of Tshivhuyuni cemetery fencing	25/02/2016
49	62/2015	Themashi electrical & project JV	R18 171.60 unit cost	Bush clearing of HV MV & LV overhead power lines	29/02/2016
50	57/2015	Netvondor CC	Commission of 4%	Provision of prepaid electricity vending system	10/12/2015
51	58/2015	KG Mahlauli trading	Depend on the availability of water	Drilling of four ground water monitoring boreholes at Makhado landfill site	01/02/2016
52	75/2015	Bvelela engineering	R 4 998 478.54	Upgrade of urban substation -stubb	30/3/2016
53	01/2016	Three service providers	Different rates	Internal audit	02/06/2016
54	16/2016	Pfano Glen consulting and service	R 1 188 884.34	Management of Makhado show 2016	02/06/2016
55	14/2016	Sambale investment (PTY) LTD	R 678 000.00	Development of recycling centre at landfill	02/06/2016

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:

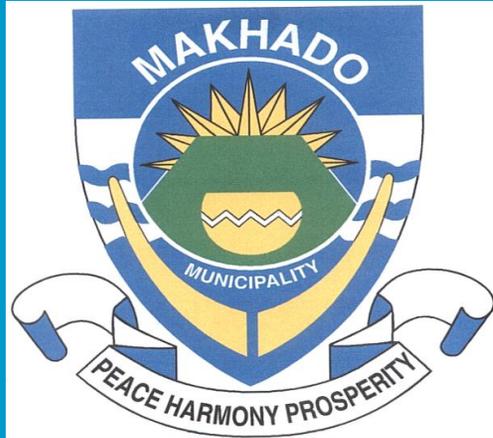
- To ensure consistency in the accounting treatment of transactions and classification of account balances in municipalities
- To enhance comparability between similar-sized municipal bodies on a national basis
- To enable users of financial statements to make more accurate assessments of risks and returns.
- 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 27 Agriculture
- ✓ GRAP 31 Intangible assets
- ✓ GRAP32: Service Concession Arrangements: Grantor
- ✓ GRAP 103 Heritage Assets
- ✓ GRAP 104 Financial Instruments
- ✓ GRAP 107 Mergers
- ✓ GRAP108: Statutory Receivables

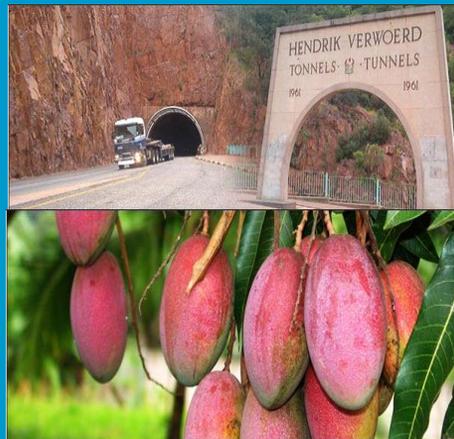
Standards approved but not yet effective:

- ✓ GRAP 18 Segment Reporting
- ✓ GRAP 105 Transfer of functions between entities under common control
- ✓ GRAP 106 Transfer of functions between entities not under common control
- ✓ GRAP 109: Accounting by Principals and agents.

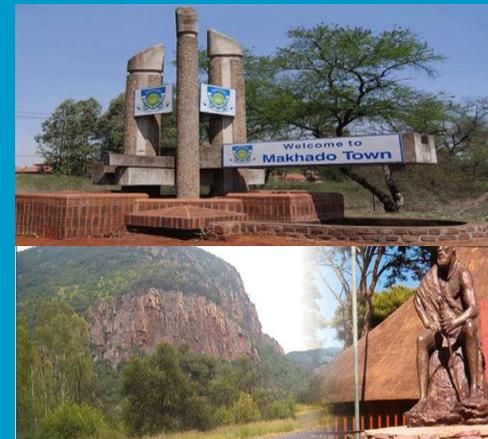


CHAPTER 6

AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2015/2016



ANNUAL REPORT 2015/2016



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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Makhado Local Municipality set out on pages X to XX, which comprise statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, 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 of South Africa, 2015 (Act No. 1 of 2015) (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 these financial statements based on my audit. I conducted my audit in accordance with 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 entity'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 qualified audit opinion.

Basis for qualified opinion

Property rates and service charges

6. I was unable to obtain sufficient appropriate audit evidence that the municipality affected the adjustments made to the valuation from the effective date of the general valuation roll, as required by the Municipal Property Rates Act, 2004 (Act No. 6 of 2004). I was unable to confirm the property rates by alternative means. Consequently, I was unable to determine whether any adjustments to property rates stated at R51 666 103 (2015: R40 639 127) in note 23 to the financial statements were necessary.
7. I was unable to obtain sufficient appropriate audit evidence that management had properly charged and accounted for all service charges and property rates, due to the status of the accounting records. I was unable to confirm the service charges and property rates by alternative means. Consequently, I was unable to determine whether any adjustments to service charges and property rates stated at R284 753 940 and R51 666 103, respectively, in note 21 and 23 to the financial statements were necessary.

Consumer debtors

8. The municipality applied incorrect financial information in calculating the amount of impairment. Consequently, consumer debtors was overstated by R16 553 398 (2015: R8 153 905). There was a resultant impact on the surplus for the period and on the accumulated surplus.

Receivables from exchange transactions

9. During 2015, I was unable to obtain sufficient appropriate audit evidence for other receivables of R9 620 551 and to confirm this by alternative means. Consequently, I was unable to determine whether any adjustment to the corresponding figure of receivables from exchange transactions stated at R13 239 062 in note 4 to the financial statements was necessary.

Unauthorised expenditure

10. During 2015, I was unable to obtain sufficient appropriate audit evidence that unauthorised expenditure for the year had been properly disclosed and to confirm the unauthorised expenditure by alternative means. Consequently, I was unable to determine whether any adjustment to unauthorised expenditure stated at R0 in note 47 to the financial statements was necessary. My audit opinion on the financial statements for the period ended 2015 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figure.

Cash flow statement

11. The financial statements were materially misstated due to material uncorrected misstatements in the following items disclosed in the cash flow statement:

- Receipts from operating activities were overstated by R50 653 787.
- Payments from operating activities were understated by R48 981 126.

Qualified Opinion

12. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Makhado Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Material impairments

14. As disclosed in notes 4, 5 and 6 to the financial statements, material impairment to the amounts of R23 662 342, R6 521 113 and R84 361 000 were made to receivables from exchange transactions, receivables from non-exchange transactions and consumer debtors respectively, as a result of irrecoverable debt.

Material electricity losses

15. As disclosed in note 32 to the financial statements, the electricity loss for the municipality is 19,69% (R32 074 723), compared to the maximum acceptable loss of 10%.

Restatement of corresponding figures

16. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Irregular expenditure

17. As disclosed in note 44 to the financial statements, irregular expenditure amounting to R152 980 778 has been incurred by the municipality, due to contravention of the supply chain management policy.

Unauthorised expenditure

18. As disclosed in note 47 to the financial statements, unauthorised expenditure amounting to R22 992 036 has been incurred by the municipality, due to expenditure incurred in excess of the limits of the amounts provided for in the votes of the approved budget.

Additional matters

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

Unaudited supplementary schedules

20. 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 and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

21. 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

22. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected development priorities presented in the annual performance report, compliance with legislation and 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

23. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2016:

- Waste management on page 2
- Parks and recreation on page 2 and sport facilities on page 3
- Electricity provision on page 3
- Roads, bridges and storm water on page 3

24. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned development priorities. 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).

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

26. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priorities:

- Waste management
- Parks and recreation and sport facilities
- Electricity provision
- Roads, bridges and storm water

Additional matters

27. I draw attention to the following matters:

Achievement of planned targets

28. Refer to the annual performance report on pages x to x; x to x for information on the achievement of planned targets for the year.

Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development priority roads, bridges and storm water. As management subsequently corrected the misstatement, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

30. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not report on them.

Compliance with legislation

31. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on 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

32. The key performance indicators set by the municipality did not include an indicator on percentage of households with access to basic level of electricity, as required by section 43(2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and the *Municipal planning and performance management regulation 10(a)*.

Annual financial statements

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

Expenditure management

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

Revenue management

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

Procurement and contract management

36. Bid adjudication committees were not always composed in accordance with *Supply Chain Management Regulation* (SCM regulation) 29(2).
37. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
38. Awards were made to providers who were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Internal control

39. 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 basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

40. Leadership's review did not detect or prevent the risks of material misstatements to the financial statements and performance information which were only identified during the audit process. The leadership over-relied on key individuals and the external auditors to achieve improved outcomes. The slow response by leadership to resolve recurring findings and its inability to follow a pro-active approach have resulted in material misstatements in financial

6

reporting.

41. Coordination between departments within the municipality is inadequate in resolving recurring findings.

Financial and performance management

42. Senior management did not adequately oversee the operations of the municipality, as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.
43. The implementation of the supply chain management processes and procedures were inadequate resulting in irregular expenditure.

Governance

44. Although risk management activities took place within the municipality and the necessary policies and procedures have been formulated and documented, the municipality's reactive approach in addressing inadequate systems of internal controls indicates that there are inadequate mitigating processes in place to address the municipality's reliance on key individuals and to guide the municipality through periods of change and unpredictability.

Auditor - General.

Polokwane

30 November 2016



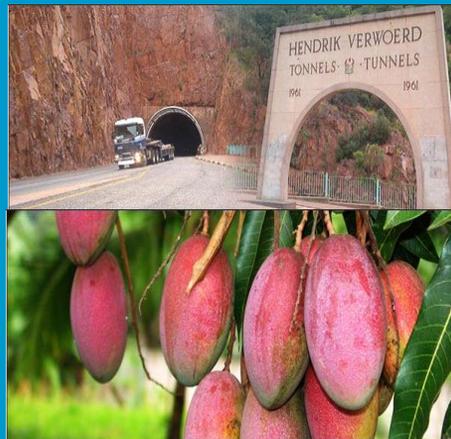
AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

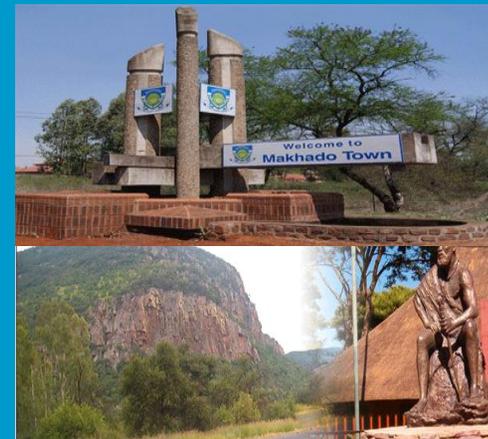


ANNEXURES

ANNEXURES A1 -A8



ANNUAL REPORT 2015/2016



ANNEXURE A- HIGH LEVEL SDBIP PERFORMANCE

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
4.1. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (HIGHER SDBIP)													
Integrated Development Planning	Good governance and administrative excellence	To review the IDP for 2015/2016 financial year by 31 May 2015	IDP Review	IDP review for 2014/2015 was completed and approved by Council before 31 May 2014	IDP review for 2016/2017 completed and approved by Council by 31 May 2016	Operational	Operational	Target achieved	IDP review for 2016/2017 completed and approved by Council	None	None	Council resolutions, Draft IDP, Attendance register, Invitations for strategic plan, IDP Consultation attendance register.	MM
Performance Management	Good governance and administrative excellence	To develop the SDBIP 2016/2017 and submit to the Mayor for signature within 28 days after approval of the budget	SDBIP Development	SDBIP 2015/2016 was developed and submitted to the Mayor within 28 days after approval of the budget	SDBIP 2016/2017 developed and submitted to the Mayor for signature within 28 days after approval of the budget	Operational	Operational	Target achieved	SDBIP 2016/2017 developed and submitted to the Mayor for signature within 28 days after approval of the budget	None	None	Signed SDBIP	MM
Human Resources and Organizational Development	Invest in human capital	# of employee trained through WSP by 30 June 2016	Training	114	135	Operational	Operational	Target achieved	147	None	none	Proof of attendance	CORP
Human Resources and Organizational Development	Invest in human capital	# of councilors trained through WSP by 30 June 2016	Training	61	16	Operational	Operational	Target achieved	16 councilors were trained	None	none	Proof of attendance	CORP
Human Resources and Organizational Development	Invest in human capital	To review the Organogram by 30 June 2016	Organogram review	Organogram 2015/2016 was approved	Approved Organogram by May 2016	Operational	Operational	Target achieved	Adopted by Council	none	none	Minutes and attendance register, Council resolutions,	CORP
Human	Invest in	# of people from	Recruitment	3	4	Operational		Target not	Adjusted during	Adjusted	Adjusted during	Appointment	CORP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Resources and Organizational Development	human capital	EEP target groups employed in three highest levels of management in compliance with approved EE Plan	nt in terms of EE Plan				Operational	achieved	budget adjustment due to MEC declaration	during budget adjustment due to MEC declaration	budget adjustment due to MEC declaration	letters	
Special Programs	Promote community and environmental welfare	# of activities conducted on special programs by 30 June 2016	Special Programs	49 events done in 2014/15	43 for 2015/16	Operational	Operational	Target achieved	48 events was done	None	None	Attendance registers, Signed minutes, Invitations, programs Close out report	CORP
Spatial and Town Planning	Advance Spatial Planning	To name the streets in the R293 townships by 30 June 2016 (Dzanani)	Street Naming (Dzanani)	Consultation/ Establishment of committees/Some names completed	Provision of street names for R293 towns completed	Operational	Operational	Target not achieved	Service provider appointed delayed in terms of completing the project	Delay by the appointed service provider	Follow up with the service provider to complete printing of street name plates and poles to enable the municipality to install	Expenditure Report	DEVP
4.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (HIGHER SDBIP)													
Waste Management	Promote community and environmental welfare	# of households with access to refuse removal	Waste Management	46637	19149	Operational	Operational	Target achieved	19149	None	None	Proof of collection from the affected stakeholders.	MM and COMM
Parks and Recreation	Promote community and environmental welfare	# of parks to be developed by 30 June 2016	Development of Parks	2	3	12,000,000.00	12,000,000.00	Target achieved	3	None	None	Approval memo. RFP, appointment letter, Completion certificate	COMM
Electricity Provision	Accessible basic and	# of households to be connected with electricity	Electrification of households	1047	1180	21,824,299	22,199,786	Target achieved	746	332 connections were not done (30 at Makushu,	None	Proof of connections to targeted	MM and TECH

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
	infrastructure services	by 30 June 2016								286 not done at Wisagalaza)		households	
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Km of roads upgraded from gravel to tar/paving by 30 June 2016	Upgrading of roads	26km	21.9km	78,199,144	79,361,617	Target achieved	21.9km roads upgraded from gravel tar/paving	None	None	Project progress report, Certificate of completion	TECH
Sports Facilities	Accessible basic and infrastructure services	To upgrade of Vuwani sports facilities by 30 June 2016	Upgrading of Vuwani sports facilities	N/A	Upgrading of Vuwani sports facilities completed	2,492,678	4,492,678	Target not achieved	Contractor appointed. No progress on site	Public protest/unrest	Project to be finalized in 2016/17	Project progress report, handover report	TECH
Sports Facilities	Accessible basic and infrastructure services	To do planning for Waterval sports facility by 30 June 2016	Planning for Waterval sports facility.	N/A	Planning for Waterval sports facility completed.	1,100,000	1,100,000	Target achieved	Design completed and advertised for appointment of contractors	None	None	Advertisement copy, appointment letter, design report.	TECH
Building and Construction	Accessible basic and infrastructure services	# of graveyards to be developed by 30 June 2016	Graveyard fencing(Tshituni, Mawoni, Madodonga, Hanani, Tshivhuyuni, Hlanganani, Tsianda, Ndo uvhada, Vleifontein	1	10	26,700,000.00	26,700,000.00	Target not achieved	4 graveyards were developed (Madodonga, Tshivhuyuni, Tshituni, Dzanani)	5 graveyards were not fenced due to financial constraints and Contractor appointed. No progress on site	Tender advertised for graveyards in 2016/17 FY	Advertisement copy, appointment letter, project progress report, handover report	TECH
4.3. MUNICIPAL FINANCE MANAGEMENT AND VIABILITY (LOWER SDBIP)													
Financial Statements	Sound Financial Management and viability	To obtain unqualified audit opinion by 31 December 2015	Auditing of financial statements	Unqualified audit opinion	Unqualified audit opinion obtained	N/A	169,734,677.34	Target not achieved	Qualified audit opinion	SCM, Valuation roll community challenges Asset and revenue roads impairment	Compliance, improve methodology in impairment and completing the capturing of COGHSTA outcome on valuation roll appeal hearing	AG Audit Report 2014/2016	MM and All Directors

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Expenditure management	Sound Financial Management and viability	% Capital budget spent by 30 June 2016 (Total budget spent/Total budget)	Capital Budget	85% (Total budget spent/Total budget)	90% (Total budget spent/Total budget)	163,938,800.12	169,734,677.34	Target achieved	94% of Capital budget spent. (159156491.4/169315416)	NONE	NONE	Quarterly Financial Report	MM and All Directors
Expenditure management	Sound Financial Management and viability	% MIG spent by 30 June 2016	MIG	98% (Total budget spent/Total budget)	100% (Total budget spent/Total budget)	112,264,000.00	112,264,000.00	Target achieved	100% of MIG spent (112264000)	NONE	NONE	Quarterly Financial Report	MM
Expenditure management	Sound Financial Management and viability	% INEP Grants spent by 30 June 2016	INEP	100% (Total budget spent/Total budget)	100% (Total budget spent/Total budget)	17,000,000.00	17,000,000.00	Target achieved	100% of INEP Spent (17000000)	NONE	NONE	Quarterly Financial Report	MM
Expenditure management	Sound Financial Management and viability	% FMG by 30 June 2016	FMG	100%	100%	1,600,000.00	1,600,000.00	Target achieved	100% of FMG Spent (1600000)	NONE	NONE	Expenditure Report	B&T
Revenue Management	Sound financial management and viability	% revenue collected by 30 June 2016	Revenue Collection	90%	90% (308004300)	342,227,123.00	342,227,123.00	Target achieved	96% of Revenue collected (27850683.76/29114673.61%)	NONE	Move into restructured tariffs once energy audit is completed in municipality	Section 71 report (c1 schedule)	B&T
4.4. LOCAL ECONOMIC DEVELOPMENT (HIGHER SDBIP)													
Local Economic Development	Invest in local economy	# of LED job opportunities created	LED job opportunities	600	800	Operational	Operational	Target achieved	1600 LED job opportunities created	None	None	EPWP, CWP, and Community Projects reports	MM and DEVP
4.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION (HIGHER SDBIP)													
Risk Management	Good governance and	# of risk activities coordinated by	Risk Management activities	13	13	OPEX	OPEX	Target achieved	13 risk activities were coordinated	None	None	Risk Management Register and	MM

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
	Administrative Excellence	30 June 2016										Reports	
Policies and By Laws	Good governance and Administrative Excellence	# of by-laws to be reviewed by 30 June 2016	Reviewing of Municipal By-laws	7	4	1/7/2015	OPEX	Target achieved	4 by laws were reviewed	None	None	Council resolutions, Copies of approved by laws.	CORP
Internal Auditing	Good governance and Administrative Excellence	To develop the Internal Audit Charter, Audit and Performance Audit Charter and submit to council for approval by 30th June 2016	Audit Charters	Internal Audit Charter, Audit and Performance Audit Charter was developed and submitted to council for approval	Internal Audit Charter, Audit and Performance Audit Charter developed and submitted to council for approval	OPEX	OPEX	Target achieved	Internal Audit Charter, Audit and Performance Audit Charter developed and submitted to council for approval	None	None	Council Resolution, Copy of the plan	MM
Information Technology	Good governance and Administrative Excellence	To complete upgrade of server upgrade project 31 December 2015	Upgrade of servers	Phase 1 done	Complete server upgrade project	R200,000	148,958.00	Target achieved	Server upgrade were completed	None	None	Appointment letter, Project agreement, installation report and payment certificate	CORP
Council Services	Good governance and Administrative Excellence	# of Council meetings convened by 30 June 2016	Council meetings	15	6	OPEX	OPEX	Target achieved	Thirteen (13) Council meetings were convened	None	None	Minutes, Attendance register, notice of invitations.	CORP
Communication	Good governance and Administrative Excellence	# of communication indicators/activities/projects implemented by 30 June 2016	Communication projects	5	5	R20,000.00	N/A	Target achieved	5 communication indicators / activity /projects were implemented	None	None	TVs and payment certificates	CORP
Public	Good	# of imbizos	Public	4	4	OPEX	OPEX	Target	4 imbizos convened	None	None	Attendance	CORP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Participation	governance and Administrative Excellence	convened by 30 June 2016	Participation					achieved				register and Programme	

LOVER LEVEL SDBIP

Municipal Transformation and Organizational Development (Annexure A 1)

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Performance Management	Good governance and administrative excellence	# of organizational performance reports developed and submitted to Council by 30 June 2016	Quarterly performance reports	8	8	21	Income	Operational	Operational	Target achieved	8 organisational performance reports developed and submitted to Council	None	None	Draft Annual Report, Fourth Quarter SDBIP Report 2014/2015, First Quarter SDBIP Report 2015/2016, Mid-Year Performance Report 2015/2016, Oversight, Final Annual Report, Council Resolutions	MM
Performance Management	Good governance and administrative excellence	% Section 57 Managers with signed performance agreements by 30 June 2016 (# of managers with signed performance agreements/# of managers appointed)	Performance agreements	100% (3/3)	100% (6/6)	21	Income	Operational	Operational	Target achieved	100% (6/6) Section 57 Managers signed performance agreements	None	None	Signed Performance Agreements	MM
Performance Management	Good governance and administrative excellence	# of section 57 managers individual assessment conducted by 30 June 2016	Individual Performance Assessment	4 section 57 managers individual assessment conducted	4 section 57 managers individual assessment conducted	21	Income	Operational	Operational	Target achieved	4 section 57 managers individual assessment conducted	None	None	Scorecards, Attendance Register	MM

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Human Resources and Organizational Development	Invest in human capital	# of posts filled in terms of the approved priority list by 30 June 2016	Personnel Recruitment	67 employees appointed	30	Adjusted	Adjusted during budget adjustment due to MEC declaration	Adjusted during budget adjustment due to MEC declaration	Adjusted during budget adjustment due to MEC declaration	Target not achieved	The recruitment process was done up to receiving application. 25 Employees appointed as roll over from 2014/2015 FY. 8 Interns were advertised and appointed	Adjusted during budget adjustment due to MEC ruling due to determination of municipal boundaries in Vhembe District	Adjusted during budget adjustment due to MEC. The exemption was requested to fill the critical post which was not approved	Adjusted during budget adjustment due to MEC declaration	CORP
Human Resources and Organizational Development	Invest in human capital	# of employee assistance programmes events conducted by 30 June 2016	Employee Assistance Campaigns	6 events	6 events	21	Income	Operational	Operational	Target achieved	6 employee assistance programmes events were conducted	None	None	Invitations, attendance registers and close-out report	CORP
Human Resources and Organizational Development	Invest in human capital	To develop 3 outstanding HR policies by 30 June 2016	Development of 3 outstanding HR policies	No Tobacco Control Policy, Occupational Health & Safety Policy and Leave Policy	All 3 outstanding HR policies developed	21	Income	Operational	Operational	Target achieved	Tobacco Control Policy, Occupational Health & Safety Policy, and Leave Policy scheduled to be adopted by Council on the 14th July 2016	None	None	Exco Agenda of 404th meeting for 23 June 2016 with draft Tobacco Control Policy, Occupational Health & Safety Policy, and Leave Policy)	CORP
Special Programs	Promote community and environmental welfare	To award 15 bursaries to qualifying learners by 30 June 2016	External Bursary Award	10 bursaries were awarded in 2014/15	15 bursaries awarded	All wards	Income	Operational	Operational	Target achieved	15 bursaries were awarded	None	None	Advert, List of qualifying learners and Letters of bursary awards	CORP
Spatial and Town Planning	Advance Spatial Planning	% application for PTO attended to within 90 days after receipt.	Permission to Occupy	100% (# of application received/ (# of	100% (# of application received/ (# of	All wards	Income	Operational	Operational	Target Achieved	100% (35/35 of application received/(35/35 of application attended to	None	None	Site inspection report, Register of applications	DEVP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
				application attended to within 90 days).	application attended to within 90 days).						within 90 days).				
Spatial and Town Planning	Advance Spatial Planning	% Housing queries attended to within 30 days after receipt.	Housing Coordination	100% (# of housing queries attended within 30 days/# of received)	100% (# of housing queries attended within 30 days/# of received)	All wards	Income	Operational	Operational	Target Achieved	100% (383/383 of housing queries attended within 30 days/# of received)	None	None	Complaints letters, Accounts applications, Corresponded letters with CFO	DEVP
Spatial and Town Planning	Advance Spatial Planning	% building plans assessed by 30 June 2016 (# of building plans assessed/# of building plans received)	Building Plans	100% processed	100%	All wards	Income	Operational	Operational	Target Achieved	100% processed	None	None	Building plans register	DEVP
Spatial and Town Planning	Advance Spatial Planning	% of zoning certificates issued by 30 June 2016 (# of applications processed/# applications received)	Zoning of land	100% processed	100% (# of applications processed /# applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (53/53 of applications processed/53/53 applications received)	None	None	Zoning certificates issued	DEVP
Spatial and Town Planning	Advance Spatial Planning	% rezoning, subdivision, special consent and consolidation applications assessed by 30 June 2016 (# of applications processed/# applications received)	Rezoning of land	100% processed	100% (# of applications processed /# applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (102 of applications processed/102/102 applications received)	None	None	EXCO resolutions	DEVP
Spatial and Town Planning	Advance Spatial Planning	% application for land use rights inspection conducted within	Land Use Management	100% (# of application for land use rights	100% (# of application for land use rights	All wards	Income	Operational	Operational	Target Achieved	100% (79/79 of application for land use rights inspection	None	None	Site inspection report, Register of applications	DEVP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
		14 days		inspection conducted within 14 days/# of applications received)	inspection conducted within 14 days/# of applications received)						conducted within 14 days/79/79 of application received)				
Spatial and Town Planning	Advance Spatial Planning	% certificates of occupancy issued by 30 June 2016 (# of applications processed/# of applications received)	Occupancy of land	100% processed	100% (# of applications processed /# of applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (32/32of applications processed/32/32 of applications received)	None	None	Copy of occupancy certificates issued	DEVP
Spatial and Town Planning	Advance Spatial Planning	% application for pegging attended to within 15 days after receipt.	Pegging Applications	100% (# of applications processed /# of applications received)	100% (# of applications processed /# of applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (203/203 of applications processed/203/203 of applications received)	None	None	Application Assessment Report, Register of applications	DEVP
Spatial and Town Planning	Advance Spatial Planning	% application for demarcation of new site attended to within 30 days after receipt.	Demarcation of sites	100% (# of applications processed /# of applications received)	100% (# of applications processed /# of applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (58/58 of applications processed/58/58 of applications received)	None	None	Application Assessment Report, Register of applications	DEVP
Spatial and Town Planning	Advance Spatial Planning	% property application processed within 30 days of receipt	Property application	100% (# of applications processed /# of applications received)	100% (# of applications processed /# of applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (17/17 of applications processed/17/17 of applications received)	None	None	Application Assessment Report, Register of applications	DEVP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Spatial and Town Planning	Advance Spatial Planning	% request for use municipal property processed within 5 days	Property application	100% (# of applications processed /# of applications received)	100% (# of applications processed /# of applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (174/174 of applications processed/174/174 of applications received)	None	None	Bookings register	DEVP
Spatial and Town Planning	Advance Spatial Planning	% land claims queries coordinated within 30 days after receipt	Land Claims	100% (# of queries processed /# of queries received)	100% (# of queries processed /# of queries received)	All wards	Income	Operational	Operational	Target Achieved	100% (1/1 of queries processed/1/1 of queries received)	None	None	Correspondence letters and emails.	DEVP
Spatial and Town Planning	Advance Spatial Planning	% by law contraventions notices issued within 5 days after identification	By Law Enforcement	100% (# of contravention notices issued within 5 days/# of contravention identified)	100% (# of contravention notices issued within 5 days/# of contravention identified)	All wards	Income	Operational	Operational	Target Achieved	100% (38/38 of contravention notices issued within 5 days/38/38 of contravention identified)	Continuation of illegal activities by clients	Continuou s involvement with legal division to institute legal proceedings	Duplicate notices	DEVP
Spatial and Town Planning	Advance Spatial Planning	# of routine inspection conducted by 30 June 2016	Routine Inspection	240	240	All wards	Income	Operational	Operational	Target Achieved	299 routine inspection conducted	None	None	Inspection form, Register	DEVP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Spatial and Town Planning	Advance Spatial Planning	% site inspection applications done within 24 hours	Site Inspection	100% (# of site inspections conducted within 24 hours/# of site inspections applications received)	100% (# of site inspections conducted within 24 hours/# of site inspections applications received)	All wards	Income	Operational	Operational	Target Achieved	100% (446/446 of site inspections conducted within 24 hours/446/446 of site inspections application received)	None	None	Inspection form, Register	DEVP

Basic Service Delivery and Infrastructure Development (Annexure A 2)

Priority Issue	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio of Evidence	Dept.
Disaster Management	Promote community and environmental welfare	To review the Disaster Management Plan and by 30 June 2016	Annual Revision of the Disaster Management Plan	Disaster Management Plan was reviewed and included to the IDP for 2015/2016	Disaster Management Plan reviewed and included to the IDP for 2016/2017	N/A	Income	Operational	Operational	Target Achieved	Disaster Management Plan is reviewed and included to the IDP for 2016/2017	None	None	Letter of request Copies of received information Draft Disaster Management Plan Final Reviewed Disaster Management Plan	COMM
Library Services	Promote community and environmental welfare	To do designs for refurbishment of the library roof by 30 June 2016	Designs for Refurbishment of library building	Roof damaged	Designs for Refurbishment of the library building completed	Ward 20	Income	1,000,000.00	200,000.00	Target Achieved	Designs for Refurbishment of the library building are completed.	None	None	Project Progress report	TECH
Waste Management	Promote community and environmental	To develop Landfill site and recycling centre by 30 June 2016	Development of Landfill site Makhado + recycling	N/A	Landfill site Makhado + recycling centre completed	Ward 21	MIG	5 000 000.00	5599366.72	Target not achieved	Landfill site Makhado + recycling centre not completed.	Delays in terms of appointment of service	Construction has started and the project to be completed	Approval memo, Specifications, Advertisement copy, Appointment letter, Project	COMM

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
	welfare		centre									provider. The tender was readvertised. The service provider started the project around June 2016	during first quarter 2016/17 financial year	progress report	
Waste Management	Promote community and environmental welfare	To rehabilitate the landfill site by 30 June 2016	Rehabilitation of the existing Landfill site (Vondelling)	N/A	Landfill site rehabilitation completed.	21	INCOME	4,000,000.00	3,083,000.00	Target not achieved - Completion of the evaporation ponds and V-drains not done. Planting of vegetation and grass not done. The service provider has been appointed for the supplier tipper truck and excavator , for the supplier of the soil to cover the compacted waste body	Landfill site rehabilitation not completed.	Specification of the advertised tender has been revised and tenders were not responsive	The tender is readvertised and the contractor will start immediately after appointment . Take note that the old landfill can only be closed once the new one is completed	Project Progress Report.	TECH
Parks and Recreation	Promote community and environment	To develop 5047 Park by 30 June 2016	Development of 5047 Park	N/A	Development of 5047 Park	Ward 20	INCOME	700,000.00	700,000.00	Target Achieved	Development of 5047 Park is completed	None	None	Approval memo. RFP, appointment letter, Completion certificate	COMM

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
	ental welfare				completed										
Parks and Recreation	Promote community and environmental welfare	To pay the service provider for development of the N1 recreational park by 30 June 2016 (R436842.11)	Payment for Development of N1 recreational park	N/A	Payment of service provider for Development of N1 recreational park done (R436842.11)	Ward 21	INCOME	1,000,000.00	500,000.00	Target Achieved	The payment of service provider has been done for N1 recreational park (R436842.11).	None	None	Proof of payment	COMM
Parks and Recreation	Promote community and environmental welfare	To refurbish and upgrade Civic Centre Park+ Meerkat park by 30 June 2016	Refurbishment and Upgrading of Civic Centre Park and Meerkat Park	N/A	Refurbishment and Upgrading of Civic Centre Park+Meerkat park completed	Ward 20&21	INCOME	500,000.00	500,000.00	Target achieved	Refurbishment and Upgrading of Civic Centre Park+Meerkat park is completed.	None	None	Approval memo. RFP, appointment letter, Completion certificate	COMM
Electricity Provision	Accessible basic and infrastructure services	To connect 50 households at Magau by 30 June 2016	Magau electrification	N/A	50 households at Magau connected	Ward 23	INCOME	935201.32 (INCOME) 712 000 (INEP)	935201.32 (INCOME) 712 000 (INEP)	Target achieved - 100 households were completed by the time the project start hence 100 were done.	100 households at Magau connected	None	None	Specifications, Advertisement, Contractor appointment letter, Site handover minutes or report, Project report	TECH
Electricity Provision	Accessible basic and infrastructure services	To connect 40 households at TSHIOZWI /GOGOBOLE by 30 June 2016	TSHIOZWI & GOGOBOLE electrification	N/A	40 households connected at TSHIOZWI /GOGOBOL E	Ward 23	INCOME	R 2,101,576	R 2,101,576	Target achieved	93 households connected at TSHIOZWI /GOGOBOLE	None	None	Specifications, Advertisement, Contractor appointment letter, Site handover minutes or report, Project report	TECH
Electricity Provision	Accessible basic and infrastructure	To connect 96 households	RAMANTSHA/RIVERSIDE	N/A	96 households at	Ward 23	INCOME	R 1,281,962	R 1,281,962	Target Achieved	96 households at Ramahantsha /Riverside	None	None	Specifications, Advertisement, Contractor	TECH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
	ure services	at Ramantsha/ Riverside by 30 June 2016	electrification		Ramahantsha /Riverside connected						connected			appointment letter, Site handover minutes or report, Project report	
Electricity Provision	Accessible basic and infrastructure services	To connect 83 households at Madodonga/ Manavhela by 30 June 2016	MADODONGA electrification	N/A	83 households at Madodonga/Manavhela connected	Ward 25	INCOME	R 1,681,261	R 1,681,261	Target Achieved	91 households at Madodonga/Manavhela connected	None	None	Specifications, Advertisement, Contractor appointment letter, Site handover minutes or report, Project report	TECH
Electricity Provision	Accessible basic and infrastructure services	To connect 120 households at Mamburu by 30 June 2016	Mamburu electrification	N/A	120 households at Mamburu connected	Ward 25	INEP	2,250,000	2,250,000	Target achieved	180 households at Mamburu connected	None	None	Specifications, Advertisement, Contractor appointment letter, Site handover minutes or report, Project report	TECH
Electricity Provision	Accessible basic and infrastructure services	To connect 30 households at Makhushu by 30 June 2016	MAKUSHU electrification	N/A	30 households at Makhushu connected	Ward 25	INEP	490,000	490,000	Target not achieved	30 households at Makhushu not connected. Project commenced, contractor on site, materials on site. No construction.	Delay in submission of designs and establishment of new households during planning and design period. The actual required number of connections is 123 and costing approximately R3million.	Construction of the project has started. The project will be done by end of the first quarter 2016/2017	Specifications, Advertisement, Contractor appointment letter, Site handover minutes or report, Project report	TECH
Electricity Provision	Accessible basic and infrastructure	To do designs for Vyeboom	Designs for Vyeboom 2016/2017	N/A	Designs for Vyeboom 2016/2017	Ward 3	INEP	952,500	952,500	Target achieved	Designs for Vyeboom 2016/2017	None	None	Specifications, Advertisement, appointment letter,	TECH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
	ure services	2016/2017 electrification projects) by 30 June 2016	electrification projects		electrification projects completed						electrification projects completed and project was handed over to Eskom			Designs, Minutes of technical forum meeting	
Electricity Provision	Accessible basic and infrastructure services	To upgrade 3km Industrial line by 30 June 2016	Upgrading 3km Industrial line	N/A	Upgrading 3km Industrial line completed	Ward 21	INCOME	250,000.00	250,000.00	Target not achieved - Phase 1 is completed. About 30% of poles planted in ph2. No conductor stringing no closing spans.	Upgrading 3km Industrial line not completed.	Labor unrest in Mar/Apr 2016. Due to time and financial constraints, Service provider could not be appointed to speed up the project. Funds were transferred to finance the EPWP workers who are on 12 months contract with the municipality	The project is budgeted again in the 2016/2017 financial year.	Designs, Appointment letter for laborers, Project progress report,	TECH
Electricity Provision	Accessible basic and infrastructure services	To upgrade 4.5km Shefeera Line by 30 June 2016	Upgrade 4.5km Shefeera Line	N/A	Upgrade 4.5km Shefeera Line completed	Ward 21	INCOME	600,000.00	512,999.00	Target achieved	Upgrade 4.5km Shefeera Line is completed	None	None		TECH
Electricity Provision	Accessible basic and infrastructure services	To appoint the contractor for upgrade of Urban Substations by 30 June	Upgrade Urban Substations	N/A	Appointment of contractor and site handover.	Ward 20	INCOME	2,500,000.00	2,500,000.00	Target achieved	Appointment of contractor and site handover was done.	None	None		TECH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
		2016													
Electricity Provision	Accessible basic and infrastructure services	To upgrade 5km Mountain line by 30 June 2016	Upgrading 5km Mountain line	N/A	Upgrading 5km Mountain line completed	Ward 30	INCOME	250,000.00	250,000.00	Target not achieved	Upgrading 5km Mountain line not completed.	Labor unrest Mar/Apr. Due to time and financial constraints, SP could not be appointed to speed up the project. Funds were transferred to finance the EPWP workers who are on 12 months contract with the municipality	The project is budgeted again in the 2016/2017 financial year.		TECH
Electricity Provision	Accessible basic and infrastructure services	To upgrade and reroute 2.2km Beaufort West line by 30 June 2016	Upgrade and reroute 2.2km Beaufort West line	N/A	Upgrade and reroute 2.2km Beaufort West line completed	Ward 30	INCOME	1,500,000.00	1,500,000.00	Target achieved	Upgrade and reroute 2.2km Beaufort West line is completed	None	None	Specification, approved memo, appointment letter, site establishment report, project progress report	TECH
Electricity Provision	Accessible basic and infrastructure services	To replace oil circuit breaker by 30 June 2016	Oil circuit breaker replacement	N/A	Replacement of oil circuit breaker completed	Ward 21	INCOME	400,000.00	400,000.00	Target achieved	Replacement of oil circuit breaker is completed	None	None	Specification, Approval memo, Advertisement, appointment letter, project progress report	TECH
Electricity Provision	Accessible basic and infrastructure services	To replace channel cover by 30 June 2016	Substation channel cover replacements	N/A	Replacement of channel cover completed	All wards	INCOME	0.00	0.00	Adjusted during budget adjustment	Adjusted during budget adjustment	Adjusted during budget adjustment	Adjusted during budget adjustment	Specification, Approval memo, Advertisement, appointment letter, project progress report, payment	TECH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
														certificate	
Electricity Provision	Accessible basic and infrastructure services	To install the Standby (Backup) Electricity Power Generator-Dzanani by 30 June 2016	Standby (Backup) Electricity Power Generator-Dzanani	N/A	Standby generator installed	33	INCOME	250,000.00	250,000.00	Target Achieved	Standby generators installed	None	None	Specification, Approval memo, Advertisement, appointment letter, project progress report	TE CH
Electricity Provision	Accessible basic and infrastructure services	% requested air conditioners replaced/installed by 30 June 2016 (# replaced/# requested)	Air Conditioners	N/A	100% requested Air Conditioners replaced/installed	All municipal office	INCOME	150,000	450,000	Target achieved	100% (27 replacement request done, 9 new installation done, 258 maintenance request done)	None	None	Orders, job cards, photos, invoices, payment certificates	TE CH
Electricity Provision	Accessible basic and infrastructure services	To replace CT VT Units 11kv & 22kv by 30 June 2016	CT VT Units 11kv & 22kv	N/A	CT VT Units 11kv & 22kv replaced	All municipal areas	INCOME	Adjusted during budget adjustment	Adjusted during budget adjustment	Adjusted during budget adjustment	Adjusted during budget adjustment	TE CH			
Electricity Provision	Accessible basic and infrastructure services	To upgrade Low voltage to medium voltage in Rural Farming B9, T8, A21 and G23/24 by 31 March 2016	Low voltage to medium voltage in Rural Farming B9,T8 and A21	N/A	Low voltage to medium voltage in Rural Farming B9,T8 and A21 upgraded	All municipal areas	INCOME	250,000	358,000	Target achieved	Low voltage to medium voltage in Rural Farming B9,T8 and A21 is upgraded	None	None	Project progress report	TE CH
Electricity Provision	Accessible basic and infrastructure services	To replace Mini Subs by 31 December 2015	Mini Subs replacement	N/A	Mini Subs replaced	All municipal areas	INCOME	900,000	444,000	Target Achieved	Mini Subs is replaced	None	None	Specification, orders, delivery notes	TE CH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
Electricity Provision	Accessible basic and infrastructure services	To replace MV Cable 95 mm 22kv by 31 December 2015	MV Cable 95mm 22kv replacement	N/A	MV Cable 95mm 22kv replaced	All municipal areas	INCOME	150,000	117,000	Target Achieved	MV Cable 95mm 22kv is replaced	None	None	Specification, orders, delivery notes	TECH
Electricity Provision	Accessible basic and infrastructure services	To procure Recloser and controllers whole network 31 December 2015	Recloser and controllers whole network purchase	N/A	Recloser and controllers whole network procured	All municipal areas	INCOME	700,000	700,000	Target not achieved - Service provider appointed. No progress due to SP not able to supply anymore	Recloser and controllers whole network not procured	SP not able to supply equipment's anymore	Re-allocated for next financial year	Specification, orders, delivery notes, progress report, completion certificate	TECH
Electricity Provision	Accessible basic and infrastructure services	To procure Remote control of switch gear Tshipise & Levubu by 30 June 2016	Remote control of switch gear Tshipise & Levubu purchase	N/A	Remote control of switch gear Tshipise & Levubu procured	All municipal areas	INCOME	120,000.00	180,000.00	Target achieved	Remote control of switch gear Tshipise & Levubu is procured	None	None	Specification, advertisement, appointment letter, payment certificate	TECH
Electricity Provision	Accessible basic and infrastructure services	To replace Ring Main Units 11 kV (RMU) by 31 March 2016	Ring Main Units 11 kV (RMU) purchase	N/A	Ring Main Units 11 kV (RMU) delivered and installed	All municipal areas	INCOME	300,000	306,740	Target Achieved	Ring Main Units 11 kV (RMU) is delivered and installed	None	None	Specification, order, delivery note, project progress report, payment certificate	TECH
Electricity Provision	Accessible basic and infrastructure services	To construct Standby quarter perimeter wall by 31 March 2016	Standby quarter perimeter wall	N/A	Standby quarter perimeter wall completed	All municipal areas	INCOME	60,000	300,000	Target Achieved	Standby quarter perimeter wall is completed	None	None	Specification, advertisement, project progress report	TECH
Electricity Provision	Accessible basic and infrastructure services	To construct Standby quarter guard room by 31 March 2016	Standby quarter guard room construction	N/A	Standby quarter guard room completed	All municipal areas	INCOME	250,000	250,000	Target not achieved - Standby quarter guardroom at roof	Standby quarter guard room not completed	Labor unrest and retrenchment of the municipal Builder	Project to be rolled over to 2016/17 FY	Specification, advertisement, project progress report	TECH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
										level					
Electricity Provision	Accessible basic and infrastructure services	To connect 471 households at Wisagalaza 2 & Chitasi village by 30 June 2016	Wisagalaza 2 & Chitasi village electrification	Site establishment	Wisagalaza 2 & Chitasi village 471 households connection completed	8	INEP	7,771,500	8,826,487	Target not achieved	185 households at Wisagalaza 2 & Chitasi village connected.	None	None	Appointment letter, project progress report, completion certificate	TE CH
Electricity Provision	Accessible basic and infrastructure services	To connect 87 households at SUKANI by 30 June 2016	SUKANI electrification	N/A	Site handover to contractor, planting of poles.	Ward 8	INEP	1,392,000	1,392,000	Target achieved	Site handover to contractor done , planting of poles done.	None	None	Specifications, advertisement, appointment letter, Designs, Minutes of site handover, labourer appointment report, project progress report	TE CH
Electricity Provision	Accessible basic and infrastructure services	To connect 102 electricity at TSHIVHULANA by 30 June 2016	TSHIVHULANA zone 5 electrification	N/A	Tshivolana 102 connections completed	Ward 1	/INCOME INEP	1,632,000	0	N/A	Adjusted during budget adjustment	Project taken over by Eskom	Adjusted during budget adjustment	Specifications, advertisement, appointment letter, Designs, Minutes of site handover, labourer appointment report, project progress report	TE CH
Electricity Provision	Accessible basic and infrastructure services	To connect 150 households at Ratombo/ by 30 June 2016	RATOMBO electrification	N/A	Stringing of MV and LV conductors done	32	INEP /income	1472000	1472000	Target achieved	Stringing of MV and LV conductors done	None	None	Specifications, advertisement, appointment letter, Designs, Minutes of site handover, labourer appointment report, project progress report	TE CH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
Electricity Provision	Accessible basic and infrastructure services	To connect 53 households at Freedom and Lusaka (Tshivhuyuni) by 30 June 2016	Freedom and Lusaka (Tshivhuyuni) electrification	N/A	Site handover and planting of poles.	12	INEP	1,040,000	1,040,000	Target achieved	Site handover done and planting of poles completed.	None	None	Specifications, advertisement, appointment letter, Designs, Minutes of site handover, labourer appointment report, project progress report	TE CH
Electricity Provision	Accessible basic and infrastructure services	To electrify Rabali Stadium by 30 June 2016	Electrification Rabali Stadium electrification	N/A	Electrification Rabali Stadium facility completed	Ward 32	Income	150,000.00	150,000.00	Target Achieved	Electrification Rabali Stadium facility completed	None	None	Specifications, Advertisement, Appointment letter, delivery notes,	TE CH
Roads, Bridges and Storm water	Accessible basic and infrastructure services	To upgrade Tshikota Access/Pretorius Street access road (6.5km) by 30 June 2016	Upgrading of Tshikota access road/Pretorius street upgraded	Gravel road	Tshikota access road/Pretorius street upgraded		MIG	1,936,405	1,793,613.68	Target achieved	Tshikota access road/Pretorius street is upgraded (6.5km)	None	None	Project progress report, Completion certificate, handover report	TE CH
Roads, Bridges and Stormwater	Accessible basic and infrastructure services	To upgrade Magau road (4.5km) phase 2 by 30 June 2016	Magau road phase 1 construction	Gravel road	Magau road phase 2 completed	Ward 23	MIG	22,000,000	21,848,466	Target achieved	Magau road phase 2 completed (4.5km)	None	None	Project progress report, handover report	TE CH
Roads, Bridges and Storm water	Accessible basic and infrastructure services	To pay the contractor for construction of Tshivhulana to Tshilaphala access road (4.5km) by 30 June 2016 (R2931397.97)	Tshivhulana to Tshilaphala access road construction	Payment outstanding	Payment of the contractor for Tshivhulana to Tshilaphala access road done	Ward 01	MIG	13976988.13	3,000,000	Target Achieved	Payment of contractor for the construction of Tshivhulana to Tshilaphala access road done ((R2931397.97)	None	None	Proof of payment	TE CH
Roads, Bridges and	Accessible basic and	To upgrade Ledig	Ledig road upgrading	Gravel road	Ledig road completed	Ward 21	MIG	9,387,156	15,403,183	Target Achieved	Ledig road completed	None	None	Site establishment report, project	TE CH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
Storm water	infrastructure services	road(6.6km) by 30 June 2016												progress report, handover report	
Roads, Bridges and Storm water	Accessible basic and infrastructure services	To upgrade Robert Khoza /Chabani - Bungeni road(3.5km) by 30 June 2016	Robert Khoza /Chabani Bungeni road construction	N/A	Robert Khoza /Chabani Bungeni road completed	Ward 13	MIG	23,000,00 0.00	19,689,2 96.81	Target not achieved	Surfacing completed and project not handed over	Slow progress by the contractor	Construction is in progress. Kerbs and V-Drains are being done. Construction of the bridge and road is completed	Site establishment report, project progress report, handover report	TE CH
Roads, Bridges and Storm water	Accessible basic and infrastructure services	To construct Tshivhazwaulu to Rasivhetshela road(4.3km) phase 1 by 30 June 2016	Tshivhazwaulu to Rasivhetshela road phase 1 construction	N/A	Tshivhazwaulu to Rasivhetshela road phase 1 completed	Ward 4	MIG	23,811,98 7.67	22,420,6 72.11	Target achieved	(4.3km) Tshivhazwaulu to Rasivhetshela road phase 1 completed	None	None	Advertisement copy, appointment letter, design report.	TE CH
Roads, Bridges and Storm water	Accessible basic and infrastructure services	To do planning for roads and bridge projects by 30 June 2016	Planning of Tshikwarani to Zamkomste Tshiroolwe, Matsa to Manyii , Tshedza to Vuvha ,Sibudi to Vyeboom, access road Gombiti,Tshivhuyuni, Muwaweni to Mphage road	N/A	Planning for Tshikwarani to Zamkomst Tshiroolwe, Matsa to Manyii , Tshedza to Vuvha ,Sibudi to Vyeboom, access road Gombiti,Tshivhuyuni, Muwaweni to Mphage road completed	Ward 25, 25, 36,30, 3,15,1 2,	MIG	1 600 000	1 600 000	Target achieved - Design completed and advertised for appointment of contractors	Planning done for the following roads: for Tshikwarani to Zamkomst Tshiroolwe, Matsa to Manyii , Tshedza to Vuvha ,Sibudi to Vyeboom, access road Gombiti,Tshivhuyuni, Muwaweni to Mphage.	None	None	Advertisement copy, appointment letter, design report.	TE CH
Sports Facilities	Accessible basic and	To do planning for	Planning for	N/A	Planning for	Ward 16	MIG	1,100,000	1,100,00 0	Target achieved	Planning for Waterval sports	None	None	Advertisement copy, appointment	TE CH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
	infrastructure services	Waterval sports facility by 30 June 2016	Waterval sports facility.		Waterval sports facility completed.						facility is completed.			letter, design report.	
Sports Facilities	Accessible basic and infrastructure services	To construct ablution facility by 30 June 2016 (Waterval Stadium)	Upgrading of Vuwani sports facilities	N/A	Provision of Waterval stadium ablution facility completed	Ward 16	MIG	300,000	0	N/A	Project adjusted during adjustment budget	Project adjusted during adjustment budget	Project adjusted during adjustment budget	Advertisement copy, appointment letter, project progress report, handover report	TE CH
Building and Construction	Accessible basic and infrastructure services	To construct 8 graveyards fencing by 30 June 2016	Graveyard fencing (Tshituni Mawoni, Madodonga, Hanani, Tshivhuyuni, Hlanganani, Tsianda, Ndouvhada, Vleifontein.	N/A	8 Graveyards fencing completed	Ward 35, 25, 1,12,8, 27,32, 20	MIG	2,000,000	2,000,000	Target not achieved - only Three (3) graveyards (Madodonga, tshivhuyuni, Tshituni) were fenced due to financial constraints.	8 Graveyards fencing not completed	Available budget could only cover 3 graveyards.	Project will be finalized in 2016/17. Tender advertised for 5 graveyards in 2016/17 FY	Advertisement copy, appointment letter, project progress report, handover report	TE CH
Building and Construction	Accessible basic and infrastructure services	To construct graveyard fencing by 30 June 2016	Fencing Vuwani Cemetery	N/A	Graveyard fencing completed	Ward 3	Income	300,000.00	300,000.00	Target not achieved	Contractor appointed. No progress on site	Public protest/unrest	Material has been purchased and delivered. The project to be finalized in the first quarter of 2016/17	Advertisement copy, appointment letter, project progress report, handover report	TE CH
Building and Construction	Accessible basic and infrastructure services	To construct Vuwani cemetery Ablution Facility 30 June 2016	Vuwani Cemetery (Toilet)	N/A	Vuwani cemetery Ablution Facility completed	Ward 3	Income	70,000.00	70,000.00	Target not achieved - Contractor appointed. No progress on site	Vuwani cemetery Ablution Facility not completed	Public protest/unrest	Material has been purchased and delivered. The project to be finalized in	Advertisement copy, appointment letter, project progress report, handover report	TE CH

Priority Issue	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio of Evidence	Dept.
													the first quarter of 2016/17		
Building and Construction	Accessible basic and infrastructure services	To fence grave yard +sliding gate a by 30 June 2016	Fencing grave yard +sliding gate(Dzana ni cemetery)	N/A	Graveyard fencing completed	Ward 35	Income	300,000.00	300,000.00	Target achieved	Graveyard fencing is completed	None	None	Advertisement copy, appointment letter, project progress report, handover report	TECH

Local Economic Development (Annexure A 3)

Priority Issue/Programme	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets (Ward	Funding Source	Budget 15/16 R'000	Adjusted budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio Of Evidence	Dept.
Revenue Management	Sound financial management and viability	To review the revenue enhancement policies by 30 June 2016	Revenue enhancement policies review	Revenue enhancement policies were reviewed	Revenue enhancement policies reviewed	Administration	Income	Operational	Operational	Target achieved	Revenue enhancement policies was reviewed	None	None	Draft/Final Policies (Rates Policy, Tariff Policy, Credit Control Policy, Debts Collection Policy)	B&T
Budget and Reporting	Sound financial management and viability	To table the draft budget to council by 31 March 2016	Draft budget	Draft budget was tabled to council	Draft budget tabled to council	Administration	Income	Operational	Operational	Target achieved	Draft budget was tabled to council	None	None	Draft budget and Council Resolution	B&T
Budget and Reporting	Sound financial management and viability	To submit the final budget to council by 31 May 2016	Final budget	Final budget was submitted to council	Final budget submitted to council	Administration	Income	Operational	Operational	Target achieved	Final budget was submitted to Council	None	None	Final budget and Council Resolution	B&T
Budget and Reporting	Sound financial management and viability	To submit the Financial statements submitted to AG by 31 August 2015	Financial statements	Financial statements was compiled and submit to AG	Financial statements compiled and submit to AG	Administration	Income	Operational	Operational	Target achieved	Financial statements was compiled and submit to AG	None	None	Copy of Financial statements	B&T
Budget and Reporting	Sound financial management	Number of section 71 reports	Section 71 report submission	12	12	Administration	Income	Operational	Operational	Target achieved	12 section 71 reports were submitted to	None	None	Copy of acknowledgement of receipt by	B&T

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets (Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
	ent and viability	submitted to Treasury within 10 days after the end of the month									Treasury within 10 days after the end of the month			Treasuries	
Supply Chain Management	Sound financial management and viability	% of tenders adjudicated within 90 days of closure period (# tenders adjudicated/# of tenders closed and due for adjudication)	Tender adjudication	100% (# tenders adjudicated /# of tenders closed and due for adjudication)	100% (# tenders adjudicated /# of tenders closed and due for adjudication)	Administration	Income	Operational	Operational	Target achieved	100/100 tenders adjudicated/# of tenders closed and due for adjudication)	None	None	Monthly Tender Reports	B&T
Supply Chain Management	Sound financial management and viability	% quotations processed within 18 days after approval by Accounting Officer (# of quotations processed/# of quotations received)	Quotations	100% (# of quotations processed/# of quotations received)	100% (# of quotations processed/# of quotations received)	Administration	Income	Operational	Operational	Target not achieved	84/84 of quotations processed/# of quotations received)	DELAYS IN PROCESSING THEM	REGULAR MEETING FOR QUOTATION COMMITTEE	Quotations Report	B&T
Asset Management	Sound financial management and viability	To update a GRAP compliant Asset Register by 30 June 2016	Asset Register	GRAP Compliant Asset Register was updated	GRAP Compliant Asset Register updated	Administration	Income	Operational	Operational	Target achieved	GRAP compliant Asset Register was updated	None	None	Schedules of Asset Register movement	B&T

Municipal Financial Viability and Management (Annexure A 4)

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
Local Economic Development	Invest in local economy	To develop Makhado information and recreational centre by 30 June 2016	Makhado N1 Information and Caravan Recreation/Entertainment centre	N/A	Development of Makhado information and recreational centre completed	Ward 20	Income	500,000.00	100,000.00	Target achieved	Development of specifications, Advertisement of the project. The project was completed on time at a cost of R498 000,00	None	None	Specifications, Appointment letter (contractor)	DE VP
Local Economic Development	Invest in local economy	To host Makhado annual show by 30 September 2015	Annual Show	Makhado annual show was hosted	Makhado annual show hosted	Ward 20	Income	159,300.00	159,300.00	Target achieved	Makhado Annual Show hosted	None	N/a	Annual Show Report and Audited Financial Statements	DE VP
Local Economic Development	Invest in local economy	# of LED projects supported by 30th June 2016	LED Strategy	9	10	All wards	Income	Operational	Operational	Target not achieved	6 LED/community based poverty alleviation projects funded	Delay in supply chain processes	To finalise specifications and advertise on time to avoid delay in procurement of goods and services.	LED strategy implementation report	M M and DE VP

Good Governance and Public Participation (Annexure A 5)

Priority Issue/Programme	Development Objective	Key Performance Indicators/ Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment Budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/ proposed intervention	Portfolio Of Evidence	Dept.
Fraud and Anti - Corruption	Good governance and Administrative Excellence	% Fraud and Anti - Corruption cases attended by 30 June 2016 (# of cases attended/# of cases reported)	Fraud and Anti - Corruption	100% (# of cases attended/# of cases reported)	100% (# of cases attended/# of cases reported)	Administration	Income	OPEX	OPEX	Target achieved	100% (1/1)	None	None	Case Register	MM
Public Participation	Good governance and Administrative Excellence	To develop the public participation policy by 31 March 2016	Public Participation Policy	No policy	Public Participation policy approved by Council	Administration	Income	OPEX	OPEX	Target not achieved	Public Participation on policy was not approved by Council	None	None	Approved policy Programmes and attendance register Final approve policy and advert for public comment	CORP
Public Participation	Good governance and Administrative Excellence	To coordinate 456 ward committee meetings by 30 June 2016	Support services for monthly ward committee meetings	456	456	All wards	Income	OPEX	OPEX	Target achieved	456 ward committee meetings were coordinated	None	None	Minutes, Attendance register, Ward committee quarterly report	CORP
Public Participation	Good governance and Administrative Excellence	To provide 2 trainings sessions for 38 ward committees by 30 June 2016	Training of ward committees	2	2	All wards	Income	OPEX	OPEX	Target achieved	2 ward committee training were done	None	None	Training attendance register; training curriculum	CORP
Policies and By Laws	Good governance and Administrative Excellence	To review 6 by laws by 30 June 2016	Reviewing of Municipal By-laws	7 by laws reviewed	4 by laws reviewed	All wards	Income	1/7/2015	OPEX	Target achieved	4 by laws were reviewed	None	None	4 draft bylaws Provisional approved by Council , newspaper notice, attendance registers for public consultation, Final council resolutions	CORP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment Budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
														and Promulgation notice for the 4 by laws in the provincial gazetteer	
Internal Auditing	Good governance and Administrative Excellence	To submit the three (3) year Internal Audit rolling plan and Annual plan to council for approval by 30 June 2016	Internal Audit 3 Year Plan	Three (3) year Internal Audit rolling plan and Annual plan was approved	Approved three (3) year Internal Audit rolling plan and Annual plan	Administration	Income	OPEX	OPEX	Target achieved	Three year rolling Audit plan is approved by APAC	None	None	Copy of the plan	MM
Internal Auditing	Good governance and Administrative Excellence	% implementation of the Approved Internal Audit Plan by 30th June 2016 (# of queries addressed/# of queries in the action plan)	Internal Audit Plan	100%	100%	Administration	Income	OPEX	OPEX	Target not achieved	86% (12/14) Audit project performed	Delay in SCM processes to finalise the appointment of service provider	Appointment of service provider	Internal Audit report to Audit and Performance Audit Committee	MM
Internal Auditing	Good governance and Administrative Excellence	# of Audit and Performance Audit Committee meetings held by 30 June 2016	Audit and Performance Audit Committee	7	7	Administration	Income	OPEX	OPEX	Target achieved	100% (7/7)	None	None	Minutes, Attendance register, invitations	MM
Internal Auditing	Good governance and Administrative Excellence	# of Audit and Performance Audit Committee Reports developed	Audit and Performance Audit Committee Reports	4	4	Administration	Income	OPEX	OPEX	Target achieved	100%(4/4)	None	None	Council resolution, Attendance register	MM

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment Budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
		and submitted to Council by 30 June 2015													
Internal Auditing	Good governance and Administrative Excellence	To submit the IAA and APAC Assessment report submitted to Council by 30 June 2016	IAA and APAC Assessment report	2	2	Administration	Income	OPEX	OPEX	Target achieved	(1/1)	None	None	Report, Council Resolution	MM
Information Technology	Good governance and Administrative Excellence	To upgrade the municipal call center by 30 June 2016	Upgrade municipal call center	Manual system	Computerized call center system	Administration	Income	R3000,000	-	Target not achieved	Municipal call centre adjusted during budget adjustment	CO RP			
Information Technology	Good governance and Administrative Excellence	To complete upgrade of network infrastructure by 31 December 2015	Upgrade network infrastructure	Phase 1 done	Complete network upgrades	Administration	Income	R200,000	#####	Target achieved	Network upgrades were completed	None	None	Orders, Payment certificate and installation report	CO RP
Information Technology	Good governance and Administrative Excellence	To upgrade the internet data line by 31 March 2016	Internet data line upgrade	Existing data line too slow	Internet data line upgraded	Administration	Income	R150,000	R150,000	Target achieved	Internet data line was upgraded	None	None	Approved memorandum, TELKOM agreement, Close out report, Proof of payment	CO RP
Information Technology	Good governance and Administrative Excellence	To upgrade the server room to acceptable standards by 31 December 2015	Replace UPS in server room	Unacceptable standard of server room	Acceptable server room conditions	Administration	Income	R70,000	#####	Target achieved	Acceptable server room conditions	None	None	Approved memorandum purchase order, signed service maintenance plan	CO RP
Information Technology	Good governance and	To procure video editing software by	Procure video editing	N/A	Procure video editing	Administration	Income	R10,000	#####	Target achieved	Video editing software was procured	None	None	Appointment letter, Installation, report; payment	CO RP

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment Budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
	Administrative Excellence	31 December 2015	software		software									certificates,	
Information Technology	Good governance and Administrative Excellence	To procure ICT office equipment 31 March 2016	Procure ICT office equipment	2014/15 critical needs only	According to needs analysis	Administration	Income	R200,000	#####	Target not achieved	No ICT equipment was procured	Suitable service provide was not obtained	Review the approach of procuring ICT equipment	Quotation Committee minutes and non-compliance by their selected supplier which is in possession of SCM section	CO RP
Information Technology	Good governance and Administrative Excellence	To procure hand held communication radios 30 September 2015	Hand held communication radios	N/A	2	Administration	Income	R10,000	R10,000	Target achieved	2 Radio and base radio was procured, installed and commissioned	None	None	Appointment letter, payment certificates,	CO RP
Council Services	Good governance and Administrative Excellence	# of Council meeting convened by 30 June 2016	Council meeting	15	6	Administration	Income	OPEX	OPEX	Target achieved	Thirteen (13) Council meetings were convened	None	None	Minutes, Attendance register, notice of invitations.	CO RP
Council Services	Good governance and Administrative Excellence	# of Executive Committee Meetings convened by 30 June 2016	Executive Committee Meetings	25	24	Administration	Income	OPEX	OPEX	Target achieved	Twenty four (24) Executive Committee meetings were convened	None	None	Minutes, Attendance register, notice of invitations.	CO RP
Communication	Good governance and Administrative Excellence	To procure 2 x television sets by 30 September 2016	Television sets	N/A	2	Administration	Income	R20,000.00	OPEX	Target achieved	2 x television sets procured	None	None	TVs and payment certificates	CO RP
Communication	Good governance and Administrative Excellence	To procure 2 X decoders by 30 September 2016	Decoders	N/A	2	Administration	Income	OPEX	OPEX	Target achieved	2 X decoders by procured	None	None	Decoders and payment certificates	CO RP
Communication	Good	To procure 2	Radios	N/A	2	Admi	Income	R800.00	2656	Target	2 X radios of	None	None	Radios and	CO

Priority Issue/Programme	Development Objective	Key Performance Indicators/Measurable Objective	Project Name	Baseline (2014/2015)	Annual Targets	Ward	Funding Source	Budget 15/16 R'000	Adjustment Budget	Performance remarks	Actual performance	Challenges	Measures taken to improve/proposed intervention	Portfolio Of Evidence	Dept.
ation	governance and Administrative Excellence	X radios of regional broadcasting stations by 30 June 2016				nistration				achieved	regional broadcasting stations procured			payment certificates	RP
Communication	Good governance and Administrative Excellence	To review the Reviewed BathoPele Service Standards by 31 December 2016	Reviewed BathoPele service standards	1	Reviewed BathoPele Service Standards	Administration	Income	OPEX	OPEX	Target achieved	Reviewed BathoPele Service Standards	None	None	Approved 2015 Batho Pele Service Standards	CO RP
Communication	Good governance and Administrative Excellence	To develop a comprehensive website policy by 31 December 2016	Comprehensive website policy	N/A	Council approved website policy	Administration	Income	OPEX	OPEX	Target achieved	Website policy was approved by Council	None	None	Council approval of policy	CO RP
Public Participation	Good governance and Administrative Excellence	# of imbizo feedback session convened by 30 June 2016	Imbizo Feedback Session	1	1	All wards	Income	OPEX	OPEX	Target not achieved	Imbizo feedback session not convened	None availability of the Mayor	To be done during financial year 2016/17	Attendance register and program	CO RP
Public Participation	Good governance and Administrative Excellence	To review Makhado Stakeholders Management Framework BY 30 September 2016	Review of Stakeholders Management Framework	Stakeholders Management Framework	Stakeholders Management Framework reviewed	Administration	Income	OPEX	OPEX	Target achieved	Stakeholders Management Framework was reviewed	None	None	Approved Stakeholders management Framework and council resolution	CO RP
Public Participation	Good governance and Administrative Excellence	To review Makhado Communications Strategy by 30 September 2016	Review of Communication Strategy	Communication Strategy	Communication Strategy reviewed	Administration	Income	OPEX	OPEX	Target achieved	Communication Strategy was reviewed	None	None	Approved Communication strategy and council resolution policy and council resolution	CO RP

Service Provider Performance (Annexure A6)

Dep	Tender number	Project name	Name of Service provider	Source of funding	Assessment of service provider			
					(Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent			
					Quarter 1	Quarter 2	Quarter 3	Quarter 4
DDP	37/2013	Padkamp Town Establishment	Nhlatse Consulting	Income	4	4	4	5
	46/2012	Formalisation of 700 sites at Matshavhawe	Pieterse Dutoit & Associates Town and Regional Planners	Income	4	4	4	5
	42/2012	Demarcation of 100 sites at Tiyani & Ribungwani	Land Mark Consulting	Income	4	3	4	4
	45/2012	Demarcation of 200 sites at Hamasia Tshikwarani	Land Mark Consulting	Income	4	3	5	5
	43/2012	Demarcation of 300 sites at Muananzhele Communal Property Association	Vutsila Consulting	Income	4	3	4	4
	29/2011	Piesanghoek to Khunda Road	Tshashu Consulting Engineers	MIG	4	4	3	5
	23/2014	Vuwani sports field	Thiko Consulting Engineers	MIG	4	4	3	2
	22/2014	Vuwani sports field	Nduvho / Ddzindake JV	MIG	3	4	4	2
	20/2014	Robert khoza to chavhani road	Mont Consulting Engineers	MIG	5	4	4	5
		Robert khoza to chavhani road	Gorogang civil construction	MIG	4	4	3	5
	19/2014	Madzuwa bridge and access road	Morula Consulting Engineers	MIG	4	4	4	5
	49/2014	Madzuwa bridge and access road	Nkomazi / madevha JV	MIG	3	3	4	3
	33/2015	Electrification of Mamburu	Machavi Bukuta Electrical	INEP	n/a	4	4	4
	33/2015	Electrification of Ratombo	Brightside Electrical	INEP	n/a	3	3	4
	33/2015	Electrification of Sukani	Kingki Electrical	INEP	n/a	n/a	n/a	3
	33/2015	Electrification of Freedom & Lusaka	Kingki Electrical	INEP	n/a	n/a	n/a	3
	26/2015	Electrification of Tshiozwi & Gogobole	Humphrey Electrical and Construction	INCOME	n/a	3	3	2
	25/2016	Electrification of Magau/Makhitha/Tshikodobo/Zamekom	Madz Electrical	INCOME	n/a	3	4	4
	28/2015	Electrification of Manavhela & Madodonga	Rivisi Electrical Contractors	INCOME	n/a	4	4	4
	27/2015	Electrification of Ramahantsha & Riverside	Bvelela Engineering CC.	INCOME	n/a	4	4	4
	68/2015	Mudimeli Bridge	Tshedza Consulting	MIG	n/a	n/a	5	5
	69/2015	Vuvha Access Road	Victory Development	MIG	n/a	n/a	4	5
	70/2015	Tshikwarani/Manavhela/Zamekomste Access Raod	Mont Consulting Engineers	MIG	n/a	n/a	5	5
	71/2015	Tshirolowe/Matsa/Manyii Access Road	Morula Consulting Engineers	MIG	n/a	n/a	4	5
	72/2015	Gombita/Tshivhuyuni/Mphagi Access Road	TM Africa Consulting Engineers	MIG	n/a	n/a	4	5
	73/2015	Xitacini/Jiweni Access Road	Dikgabo Consulting Engineers	MIG	n/a	n/a	3	5
	74/2015	Waterval Sport Facility	Botshabelo Consulting Engineers	MIG	n/a	n/a	5	5
	89/2015	Vyeboom Access Road	MVE Consulting Engineers	MIG	n/a	n/a	4	5
FINANCE		Printing of consumer statements	SA Post office	Income	2	2	2	2
	7/2013	Short term insurance portfolio for a period of three years	Lateral Unison Insurance Brokers (PTY)LTD	Income	4	4	4	4
	46/2010	Provision of banking services for period of 60 months.	First National Bank	Income	3	3	4	4
	41/2013	GRAP Compliant Assets register	Musanda Chartered Accounts (PTY)LTD	Income	4	4	4	4
	61/2010	Proposal card fleet management	Wesbank	Income	5	5	5	5

Dep	Tender number	Project name	Name of Service provider	Source of funding	Assessment of service provider			
	3/2011	Rendering of meter reading services for period of three (3) years	Bires/UMS	Income	2	2	3	3
	56 /2008	4X10000 Water tankers	Cooper Eagle Trading 327 CC	Income	3	3	3	3
	14/2013(section 32)	MMs sent statement for municipal accounts	Ntsumi Telecommunications	Income	2	2	2	2
	19/2015	Supply ad delivery of electrical materials	Several service providers	income	n/a	n/a	3	2
COMMUNITY SERVICES	5/2013	Provision of Security Services for property	Veteran Security Services	Income	3	3	4	4
	5/2013	Provision of Security Services for property	Backline Security & Cleaning Services	Income	2	3	3	4
	5/2013	Provision of Security Services for property	GNS Security	Income	3	3	3	3
	5/2013	Provision of Security Services for property	Vhugi Protection Services	Income	4	4	3	4
	5/2013	Provision of Security Services for property	Majojo Trading	Income	3	3	4	4
	5/2013	Provision of Security Services for property	2RM Security T/A Analytical Risk MX	Income	2	3	3	4
	105/2010	Parking Meter Management System	Rirhothe Trading and Investment	Income	2	3	3	3
	2/2011	Cash-In-Transit	G4S Security	Income	1	1	1	1
CORPORATE SERVICES	37/ 2006	One day per month on site service support with Collaborator electronic document movement as per Annual Service Level Agreement	Business Engineering (Pty) Ltd	Income	5	5	5	4
	Existing service provider per contract for ICT Support services	ICT software applications and technical support service	ITNA (Pty) Ltd	Income	5	5	5	5
	Existing service provider per contract for Munsoft Financial Management Support services	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	5	5	5	5
	Various Software Licenses Agreements	Software Applications on the Information Technology Systems	Various software application service providers	Income	5	5	5	5
	41/2014	Supply and delivery of stationery for three years	Londola Trades , Ludricks Construction and Projects	Income	5	5	5	5
	38/2014	Supply and delivery of photocopying papers for three years	TCL Group Pty(Ltd)	Income	5	5	5	5
	25/2014	Medical services: Occupational medical therapist for employees	Chitandani Medical Clinic	Income	5	5	5	5
	35/2012	Medical Services: Psychology for period of three years	Matswaisa Trading Enterprise	Operational budget	5	5	5	5
	33/ 2013	Rental of photocopiers	*Palesa Tech (Pty) Ltd and Fintech Bank (Pty) Ltd <u>NOTE:</u> The company has ceded its business to a successor in title , ITEC Impact, who has taken over the technical support service on 12 rental copiers with effect of 5 April 2016	Income	5	5	*2	2