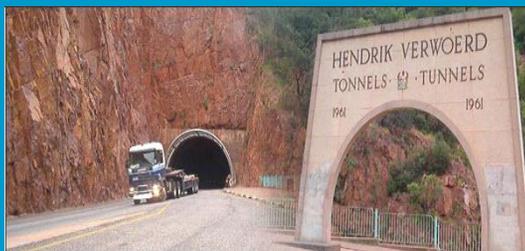


# MAKHADO MUNICIPALITY

## ANNUAL REPORT 2012/2013 FINANCIAL YEAR



**SEC 121  
MFMA**



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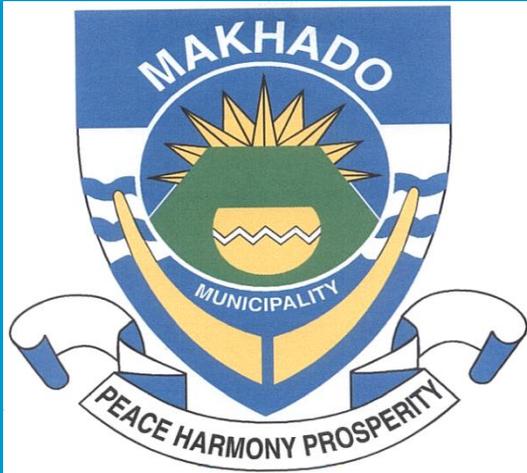
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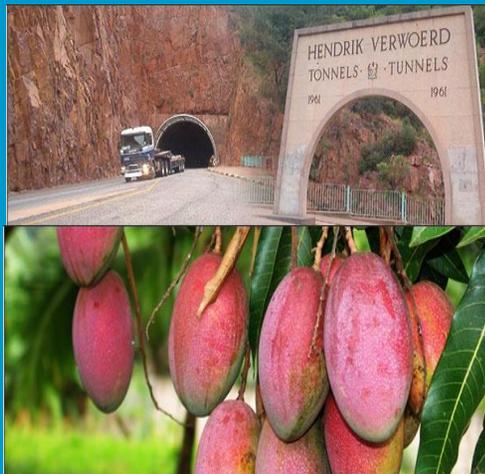
## GLOSSARY

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

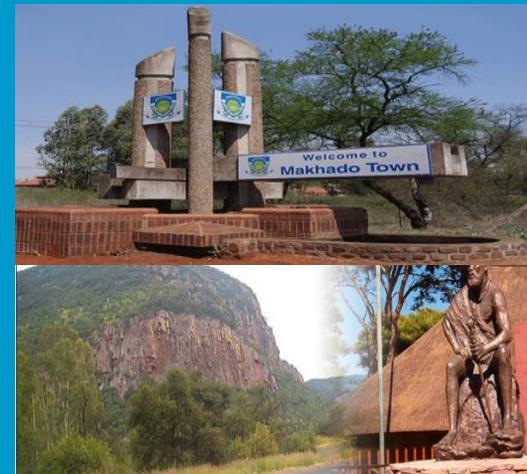


# CHAPTER 1

## INTRODUCTION AND OVERVIEW



## ANNUAL REPORT 2012/2013



# CHAPTER 1: INTRODUCTION AND OVERVIEW

## COMPONENT A: MAYOR'S FOREWORD

### 1.1. MAYOR'S FOREWORD



Makhado Municipality remains committed to its vision of “**Moving towards a dynamic and progressive Centre for socio economic development by 2025**”. This vision is our shared commitment as political administrative components to combine efforts, skills, and expertise to ensure that we build a city for all our people by 2025. The renaming of the town to become Makhado Town is a significant step towards restoring the dignity, pride and shared history of our culturally diverse communities.

Makhado Municipality has been identified as a Provincial Growth Point, the town of Makhado is strategically located on the N1, north of Polokwane and is the second largest Municipality in the Vhembe District. This geopolitical opportunities places enormous responsibility on each one of us to work together to implement bold, imaginative and effective strategies that will drive both social equity and competitiveness, introduce systemic changes that will mobilize domestic and global investment around sectors of our local economy.

Therefore, in pursuit of the goals of the Provincial and National Development Plans, as Municipality we have a duty to create decent work, defeat poverty and reducing inequality in our communities. As a Municipality, we were able to create 1345 jobs through the Community Works Program during 2012/2013 financial year and we shall expand the program to include other wards within our jurisdiction. The opening of the new shopping mall at Elim and other planned retail developments in Vuwani and Bungeni by private developers will go a long way in enhancing planned rural development, industrialization and job creation.

Our physical location has a huge potential to attract viable industrial activity and new investment in mining, tourism, agriculture and manufacturing. The Makhado Municipality is actively participating in the Makhado/Musina Development Corridor and other strategic local, district, provincial and national forum that seek to set a new growth path for our Municipality.

For the past financial years Makhado Municipality obtained several disclaimers audit opinions from Auditor General SA. Tremendous progress has been made to address issues that contribute to the recurring disclaimer audit opinions. Actions taken include amongst other things the following:

- Continuous implementation of the Audit Action Plan,
- Strengthening of the Internal Audit Unit and Performance Management Systems Unit,
- Implementation of the Operation Clean Audit - 2014 and other internal controls and systems.
- Effective and efficient accounting systems and compliance with the Municipal Finance Management Act and Treasury Legislations
- Effective Monitoring and Evaluation of the Service Delivery and Budget Implementation Plan.

We have a legislative duty to ensure that planned and budgeted projects in our IDP are fully implemented and that we must account to all our people of our successes and challenges in realizing those targets set out in the 5 year IDP. During 2012/2013 financial year, as Makhado Municipality we were able to spend 100% of our MIG funds for capital projects listed and prioritized in our IDP and SDBIP. By the end of the financial year the following road projects were fully done:

- Tshikota Rehabilitation of Streets Phase 2
- Waterfal Rehabilitation of Streets Phase 2
- Tshakuma Landscaping and Street Lights

We shall continue to plan ahead, improve our technical and project management systems, thus ensuring that all our planned projects are carried out on time, highest level of quality and within the allocated budget. The appointment of the Municipal Manager, Chief Financial Officer and PMU Manager is one of the positive steps which led toward the achieving of qualified audit opinion and compliance with legislation. The Council of Makhado is committed to sustainable participation of its residents in all decision making processes. As a Municipality, we have engaged our community through the existing public participation mechanisms and structures. Six (6) public participation meetings were convened in all regions, four (4) IDP Representative Forum were coordinated in all Regions. Our Ward Committees

are meeting on a monthly basis to consider all service delivery issues at ward level, this system will need to improve so that we can maximize corrective action to address service delivery backlogs. Other community stakeholders and interest group meetings were held throughout the year to ensure that we listen and act on the needs of our people.

The Municipality will sustain its effective engagements with stakeholders across all sectors of the society and provide services to the people with the little available resources. The Municipality commits to give people quality services including implementation of our local economic development strategies, refuse removal, repair of potholes, cleaning and maintenance of parks and recreational facilities, provision of electricity, road works and storm water.

However the shortage of water in the whole municipal area is acknowledged and we shall continue to work with the Vhembe District to address major concern of water shortages. Vhembe District Municipality appointed contractor to work on all boreholes within Makhado. A service level agreement for Water Service Provider was signed with Vhembe District Municipality. We encourage all our consumers to pay for services so that we can provide quality, affordable and sustainable services to all our people.

Working together, we shall make Makhado a city, by 2025!

---

**THE MAYOR**

**HIS WORSHIP CLLR FD MUTAVHATSINDI**

# COMPONENT B: EXECUTIVE SUMMARY

## 1.2. MUNICIPAL MANAGER'S FOREWORD



The 2012/13 IDP has highlighted a number of service backlogs and as a Municipality different strategies and programmes were developed to respond to the growing community needs with the available limited resources. For the past 3 consecutive years, the municipality has received negative “disclaimer” opinion from the Auditor General. This negative spiral has to be turned around so that the municipality can restore public confidence on how it runs its financial affairs.

Vhembe District Municipality has powers and functions over the provision of water and sewer. It is the Water and Sewer Services Authority which place the Makhado Municipality on the weaker side with regard to water provision. Makhado Municipality is an agent of the Vhembe District Municipality with regard to Potable water supply systems, domestic waste water and sewerage disposal systems. In the case of Environmental Health, 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.

In line with IGR principles a Service Level Agreement was signed with the Vhembe District for improvement on water provision within the municipality jurisdiction. The ageing water and sewer infrastructure is a major challenge resulting in continuous disruption of water supply, especially in the main town and R293 towns. Collection of revenue is central to the municipality mandate in providing quality and affordable basic services, however the growing consumer debt, which stands at R226 060 496.00 remains a concern. Mechanisms to enhance revenue collection are implemented and the municipality has started to vigorously implement the credit control and debt collection policy.

A total number of 1073 households had been electrified at a total cost of R26, 541,616 during 2012/13 financial year and this has been a milestone achievement in addressing the household electricity backlog. Twenty three (23) km of Roads and Storm water infrastructure projects were constructed and the total amount of R67 400 000.00 was spent. This has provided access roads to communities which

experience hardships especially during rainy days wherein they could hardly access their homes.

Amongst the performance highlights the following cannot be ignored:

- The completion and opening of the Dzanani Traffic Station,
- Sanitation projects funded by Vhembe District,
- The waste water purification project and treatment works

The Municipality has implemented the Turn Around Strategy which led to visible improvement regarding customer satisfaction in the following programmes and services:

- Licensing,
- Sale of electricity,
- Town planning,
- Building control and
- Local economic development.

In the financial year under review 6 (six) section 57 managers were appointed and all of them had signed performance agreements. However 2 (two) of them resigned due to expiry of the term of their contracts. There was no situation where a section 57 was fired or dismissed. The municipality acknowledges the gaps in terms of performance information; however steps were taken to ensure improvements. These include increasing capacity in the performance management unit to better to improve management of information on predetermined objectives. The summary of departmental performances and municipal performance are as Follows:

Table 1: Summary Statement of Comparison of Budget and Actual Amounts 2012/2013 Financial Year

<b>Summary Statement of Comparison of Budget and Actual Amounts 2012/2013 Financial Year</b>		
<b>Description</b>	<b>Final Budgeted</b>	<b>Actual Amounts</b>
<b>Revenue collections, grants and other income</b>	570 001 376.00	598 100 492.00
<b>Expenditure</b>	<b>760 742 055.00</b>	<b>630 543 319.00</b>
<b>Deficit</b>	<b>-190 740 679.00</b>	<b>-32 442 827.00</b>

<b>Capital Expenditure as at 30 June 2013</b>		
<b>SUMMARY AS PER DEPARTMENT</b>	<b>Final Budgeted</b>	<b>Actual Amounts</b>
<b>TOAL CAPEX</b>	107 995 287.16	88 952 273.98

The Municipality Audit and Performance Audit Committee have been fully functional and effective. It exercised its oversight role and responsibility in line with Section 166 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) and the Council approved Charter. This has strengthened the governance structure of the Municipality and led to a qualified audit opinion.

---

**MUNICIPAL MANAGER**

**I P MUTSHIYALI**

# COMPONENT C: MUNICIPAL OVERVIEW

## 1.3. MUNICIPAL OVERVIEW

The Makhado Municipality is a local municipality, within the Vhembe District, Limpopo Province in the Republic of South Africa. The main town Makhado is strategically located on N1 and is an important bypass for people travelling to Southern African Developing Countries, and that provides the Municipality with the following opportunities: i) Tourism and (ii) Stimulation of Economic Activities. Other local municipalities bordering the municipality are the Molemole and Blouberg Local Municipalities forming part of the Capricorn District Municipality, whilst the Greater Giyani and Greater Letaba Municipalities also 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 km<sup>2</sup> or 856,738 ha. A total of 516 301 population reside within the municipality and majority can be classified as predominately rural.

Figure 1: Location of Makhado Municipality



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

**Table 2: 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 3: 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

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 4: Powers and Functions**

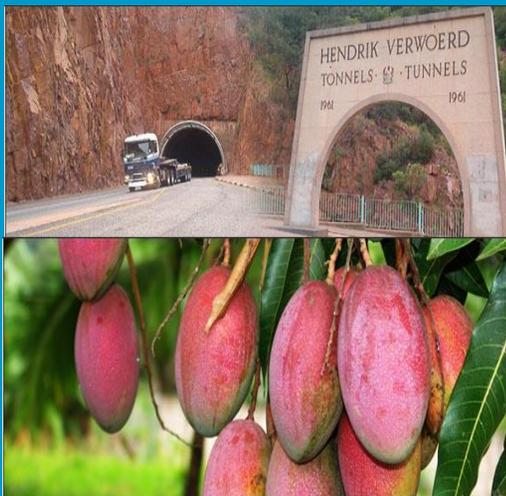
<ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Building regulations</li> <li>• Child care facilities</li> <li>• Electricity and gas reticulation</li> </ul>	<ul style="list-style-type: none"> <li>• Storm water management systems in built-up areas</li> <li>• Beaches and amusement facilities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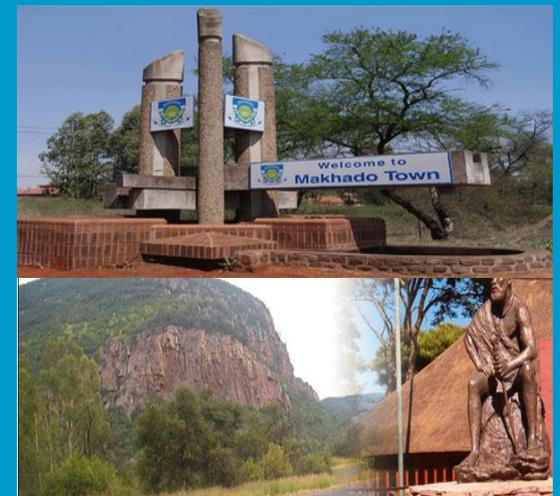


# CHAPTER 2

## POLITICAL AND ADMINISTRATIVE GOVERNANCE



## ANNUAL REPORT 2012/2013



# CHAPTER 2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

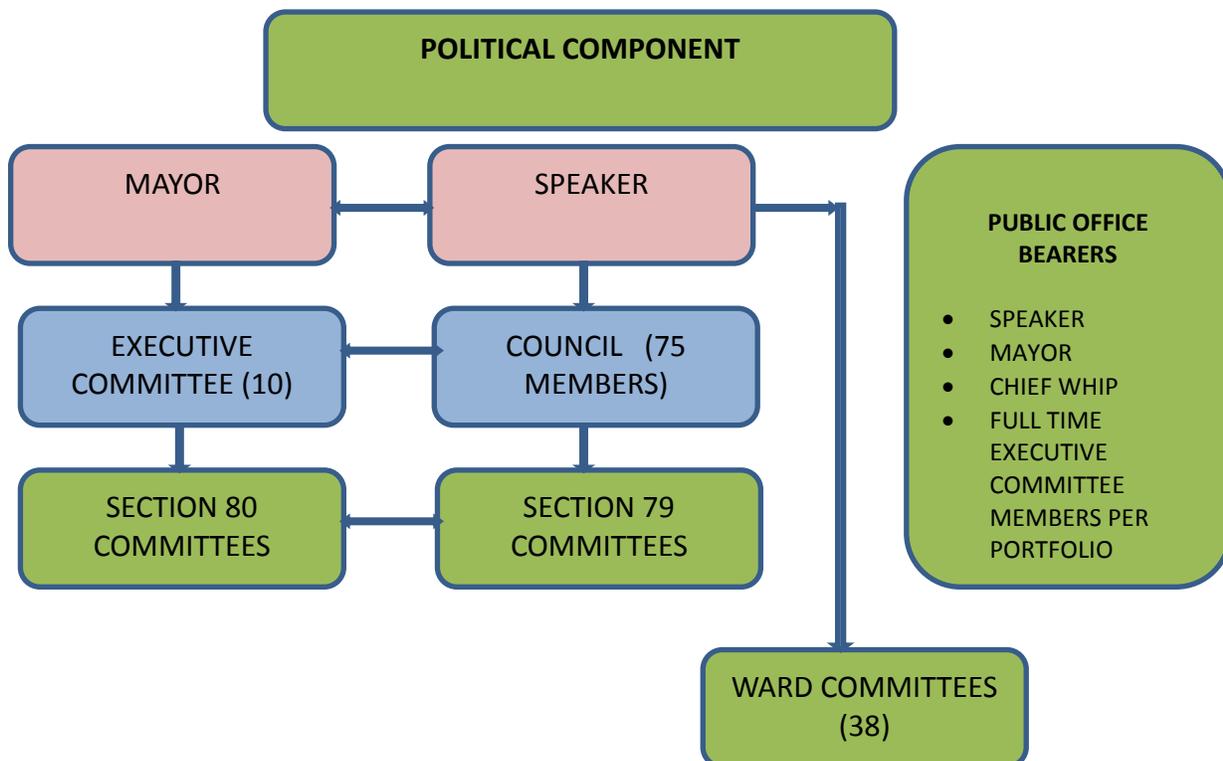
## COMPONENT A: GOVERNANCE STRUCTURES

### 2.1. POLITICAL GOVERNANCE STRUCTURE

#### 2.1.1. COUNCILORS

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

Figure 2 Political Structures



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

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

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

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

The following councilors resigned during the course of the 2012/2013 financial year

**Table 6: Names of Councilors who resigned.**

Councilor	Category of councilor	Date resigned	New councilor	Date elected
O Ahmed	Proportional (ANC)	20 February 2012 (received notice on 11 October 2012) Council Resolution A.158.08.11.12	T S Mudau	19 March 2013 Council Resolution A.25.28.03.13
Z A Jooma	Proportional (DA)	20 May 2013 Council Resolution B.60.20.06.13	N B Baloyi	10 June 2013 Council Resolution A.69.06.08.13

**Table 7: Name of Councilors**

NAME OF COUNCILOR			
1.	BALIBALI, N P	2.	MAPHAHLA, A Z
3.	BALOYI, S R ( <i>elected 26 August 2011</i> ) ( <i>full-time member of Executive Committee</i> )	4.	MAPHALA, O S
5.	JOOMA Z A (until 20 May 2013) BALOYI, N B ( <i>elected 10 June 2013</i> )[ <i>in the place of Cllr Z A Jooma who resigned effective 20 May 2013</i> ]	6.	MASHIMBYE, P F (part-time member Executive Committee)
7.	CHILILO, N F	8.	MASUKA, S ( <i>elected 5 October 2011</i> )
9.	DAVHANA, N D	10.	MATHALISE, L M
11.	DU PLOOY, A (part-time member of Executive Committee)	12.	MATHAVHA, H F
13.	GABARA, M J	14.	AHMED , O (until 20 February 2012) MUDAU, T S ( <i>elected 19 March 2013 in place of O Ahmed who resigned 20 February 2012</i> )
15.	HLABIOA, M M ( <i>elected 5 October 2011</i> )	16.	MUKHAHA, A J
17.	HLONGWANE, F B	18.	MUKHARI, M F
19.	HLUNGWANI, K A	20.	MULOVHEDZI, M D
21.	KENNEALY, A	22.	MUNYAI, N S
23.	KUTAMA, N	24.	MUTAVHATSINDI, F D (Mayor & Chairperson Executive Committee)
25.	LERULE-RAMAKHANYA, M M	26.	MUTELE, T M ( <i>elected 26 August 2011</i> )
27.	LUDERE, E H	28.	NDWAMMBI, M T
29.	LUDERE, R (Chief Whip)	30.	NDZOVELA, N G ( <i>elected 5 October 2011</i> )
31.	LUDUVHUNGU, V S ( <i>elected 5 October 2011</i> )	32.	NELUVHOLA, A T ( <i>elected 5 October 2011</i> )
33.	MACHETHE, M S	34.	NEMAFHOHONI, M G
35.	MADAVHU, F F	36.	NETSHIVHULANA, T P ( <i>elected 13 October 2011 to replace former Cllr J Dzhombe</i> )
37.	MADZHIGA, F N	38.	NGOBENI, N E
39.	MADZIVHANDILA, M R ( <i>elected 22 August 2011</i> )	40.	NKANYANE, R G
41.	MAGADA, M R	42.	RAMUDZULI, S D ( <i>elected 26 August 2011</i> )
43.	MAHANI, M G ( <i>elected 26 August 2011</i> )	44.	RASIMPHI, M P
45.	MAHLADISA, S V	46.	RATSHIKUNI, D T (part-time member Executive Committee)
47.	MAKHUBELA, R T	48.	RATSHIVHOMBELA, M Q ( <i>elected 26 August 2011</i> )
49.	MAKHUVHA, V S	50.	REKHOTSO, S M
51.	MALANGE, R	52.	RIKHOTSO, F J
53.	MALANGE, T M	54.	SAKHWARI, I ( <i>elected 22 August 2011</i> )
55.	MALIMA, M E	56.	SELEPE, M R ( <i>elected 28 March 2012</i> )
57.	MAMAFHA, T J	58.	SHANDUKANI, M J
59.	MAMAFHA, T C	60.	SINYOSI, S M (full-time member Executive Committee)
61.	MAMATSIARI, M S	62.	THANDAVHATHU, R (part-time member Executive Committee)

## 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, five 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 EXCO Members (Pictures)**



**Cllr F.D Mutavhatsindi**

His Worship: Municipal Mayor  
(Full-Time)

015 519 3002



**Cllr T.G Tshavhuyo**

Portfolio Head: Finance  
(Full Time)



**Cllr S.M Sinyosi**

Portfolio Head: Technical Services  
(Full Time)



**Cllr T.P Mamorobela**

Portfolio Head: Development and  
Planning  
(Full Time)



**Cllr D.T Ratshikuni**

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



**Cllr J.P Underwood**

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



**Cllr R.S Baloyi**

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



**Cllr F.P Mashimbye**

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



**Cllr R Thandavhathu**

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



**Cllr A.J Du Plooy**

Exco Member  
**(Part Time)**

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relation Framework Act, Act No. 13 of 2005 provides that all spheres of government must coordinate, communicate, align and integrate service delivery effectively to ensure access to services. The Makhado Local Municipality complies with the Act since the Municipality participates in the District Intergovernmental Relations Forum where progresses on strategic projects are presented. The Municipality also forms part of the Premier Intergovernmental Governmental Relation Forum where progress on municipal and departmental programmes and projects are presented. The envisaged fora provide a platform for engagements on the approved projects as per the Municipal IDP and where there are challenges so that interventions can be developed.

Progress on the projects funded from grants such as MIG is also presented in the above fora to monitor expenditure within a financial year. The Municipality also participates in the District and Provincial Development Fora where matters on spatial planning and land use management are discussed and progress on implementation of spatial development frameworks is monitored. There is also Provincial Human Settlement forum where challenges concerning human settlement are discussed from the provincial perspective. Housing needs and challenges are presented during the said forum and the progress on housing projects funded by CoGHSTA. South African Local Government Association also played a role in capacitating the municipality on the amended Local Government Municipal Systems Amendment Act of 2011.

# COMPONENT C: PUBLIC PARTICIPATION AND ACCOUNTABILITY

## 2.2. Public Participation

The municipality has developed the communication strategy which assists in promoting public participation. There are a number of forum meetings that are held to promote public participation and accountability such as the Imbizo's, regional IDP consultative forums, IDP rep forum and Exco outreach meetings with traditional leaders. These give the various stakeholders and communities an opportunity to make inputs in the running of municipal affairs.

The ward committee meetings are held on a monthly basis and this give the community a chance to express their opinion to the municipality through their ward councilors. In the financial year under review Public Participation on municipal services were done. This include izimbizos in the following areas;

**Table 8: Izimbizos for 2012/2013**

Place of Imbizo	Date
Muduluni	23 November 2012
Waterval Region	01 February 2013
Tshikuwi Ward 36	19 April 2013
Olifansthoek Ward 05	24 May 2013
Ha-Mashau Thenga Ward 09	07 June 2013

## 2.3. Integrated Development Plan

The municipality has embarked on all the processes required to get the IDP completed. This include amongst other things the following:

- Completion of the Analysis phase
- Conducting of the Strategic planning sessions
- IDP Steering committee meetings
- IDP representative forums
- Project meetings
- IDP public participation meetings and

- Alignment meetings

## COMPONENT D: CORPORATE GOVERNANCE

### 2.3.1. Risk Management, Anti-Corruption and Fraud

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.

### 2.3.2. Supply Chain Management

The Supply chain management policy was approved by the council in 2006. The implementation was done by establishing supply chain management division under the direct supervision of the CFO. The structure for this division was established to cover all elements of supply chain. Two sections are fully functional, that is Acquisition and Logistic managements sections. The Bid specification and evaluation committees were established which comprises of members appointed by Municipal Manager on temporary basis depending on the tender under consideration. The Bid adjudication Committee was also established which is composed of senior managers. Councilors are not part of bid committees and they are not participating in supply chain processes. The municipality has ensured that six official attend supply chain management module 1&2 training by PALAMA while two officials has completed Certificate in MFMA Programme (meeting minimum requirements).

During the financial year, the municipality incurred irregular expenditure as disclosed in the financial statements (refer to the audit report). The following 31 tenders were awarded as depicted in the table below:

**Table 9:Tenders awarded**

D NO	DESCROPTION	NAME OF SERVICE PROVIDER	AMOUNT	DATE
4/2012	SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR PERIOD OF ONE YEAR	SHUMANI PHATENI GEN. DEALER	AS PER ORDER-VARIOUS ITEMS ORDERD BY VARIOUS MUNICIPAL DEPARTMENTS.	5/7/2012
4/2012	SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR PERIOD OF ONE YEAR	LIP-MADIBA TRADING	AS PER ORDER-VARIOUS ITEMS ORDERD BY VARIOUS MUNICIPAL DEPARTMENTS.	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	YELLOW SOLUTION TECHNOLOGY	R196 878,00	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	RAMUANE GENERAL TRADING	R48 702, 75	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	MUDZULA SUPPLY SERVICES	R110 160,00	5/7/2012
9/1072	SUPPLY AND DELIVERY OF UNIFORM	RAMUANE GENERAL TRADING	R45 623,25	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	RAMUANE GENERAL TRADING	R335 400,09	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	DAVE RAMS CONSTRUCTION	R195 935,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (6 TOYOTA COROLLA SEDANS)	SANBONANI INDUSTRIAL CONSULT	R1 476 000,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (2 REFUSE REMOVAL VEHICLES)	CHIDINO GENERAL TRADING	R3 171 904,08	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (6 TOYOTA DOUBLE CABS)	NKOPETSI FLEET (PTY) LTD	R2 322 009,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (2 SINGLE CAB BAKKIES)	FC CORNERSTONE CONTRACTORS	R643 200,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES ( 1 TOYOTA 4.2L DIESEL BAKKIE)	SANBONANI INDUSTRIAL CONSULT	R483 000,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (1 TIPPER TRUCK)	CHIDINO GENERAL TRADING	R418 423,78	5/7/2012

23/2012	SUPPLY AND DELIVERY OF NEW YELLOW MACHINES (3 GRADERS)	POLOKWANE EQUIPMENT	R2 125 302,00	5/7/2012
23/2012	SUPPLY AND DELIVERY OF NEW YELLOW MACHINES (1 NEW TLB)	POLOKWANE EQUIPMENT	R627 000,00	5/7/2012
23/2012	SUPPLY AND DELIVERY OF NEW YELLOW MACHINES ( 1 NEW TRACTOR)	CHIDINO GENERAL TRADING	R410 400,00	5/7/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MUSPAT TRADING CC	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	ACTOM ELECTRICAL PRODUCTS	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	SHUMANI PHATENI GEN. DEALER	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	POLOKWANE POWER SUPPLIES	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MEDUPE DISTRIBUTORS	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MAMAMIYA TRADING ENTERPRISE CC	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MANGWAJANA LOGISTICS AND CONSTRUCTION	AS PER ORDER	28/08/2012
25/2012	SUPPLY AND DELIVERY OF PAINTING MATERIALS FOR PERIOD OF THREE YEARS	DAVE RAMS CONSTRUCTION	AS PER ORDER	28/08/2012
25/2012	SUPPLY AND DELIVERY OF PAINTING MATERIALS FOR PERIOD OF THREE YEARS	PERRIZIN HOMES	AS PER ORDER	28/08/2012
25/2012	SUPPLY AND DELIVERY OF PAINTING MATERIALS FOR PERIOD OF THREE YEARS	TOKOLLOHO GENERAL TRADING	AS PER ORDER	28/08/2012
26/2012	SUPPLY AND DELIVERY OF GENERAL HARDWARE MATERIALS FOR PERIOD OF THREE YEARS	LYDO TRADING ENTERPRISE	AS PER ORDER	28/08/2012

26/2012	SUPPLY AND DELIVERY OF GENERAL HARDWARE MATERIALS FOR PERIOD OF THREE YEARS	ONE ON TWO SUPPLIERS	AS PER ORDER	28/08/2012
26/2012	SUPPLY AND DELIVERY OF GENERAL HARDWARE MATERIALS FOR PERIOD OF THREE YEARS	SHILAS BUSINESS ENTERPRISE	AS PER ORDER	28/08/2012
32/2012	COMPILATION AND PRINTING OF QUARTERLY NEWSLETTER FOR 12 MONTHS	MURN TRADING ENTERPRISE	R552 000,00	19/10/2012
17/2012	WATERVAL STREET REHABILITATION	DAVID DIVA CONSTRUCTION	R14 206 221,15	26/09/2012
18/2012	SERENI TO MASHAMBA POST OFFICE: ROAD CONSTRUCTION	MOSWOBI BUILDING CONSTRUCTION	R12 883 545,01	26/09/2012
54/2011	TSHAKHUMA LANDSCAPING AND STREETLIGHTS	NAKISENI BUSINESS/DZUGU TRADING JV	R4 238 644,22	26/09/2012
29/2012	MPHAILA ACCESS ROAD AND BRIDGE: PHASE 1	MKHACANI CONSTRUCTION	R12 915 901, 13	3/12/2012
30/2012	REHABILITATION OF TSHIKOTA STREETS: PHASE 11	IMMORIAL BUILDING CONSTRUCTION	R8 793 486, 90	3/12/2012
31/2012	ELTIVILLAS EXTENSION 1 STREET SURFACING: PHASE 11	MPOSON BUILDING CONSTRUCTION	R11 335 482, 39	3/12/2012
35/2012	PSYCHOLOGIST SERVICES FOR PERIOD OF 3 YEARS: MAKHADO MUNICIPAL EMPLOYEES	MATSWAISA TRADING ENTERPRISE	RATES	3/12/2012
36/2012	SUPPLY AND DELIVERY OF DIARIES AND CALENDERS FOR 2013	NMSR TRADING	R234 240,00	16/11/2012
29/2012	MPHAILA ACCESS ROAD AND BRIDGE: PHASE 1	MKHACANI CONSTRUCTION	R12 915 901. 13	03/12/2013
39/2012	REHABILITATION OF ELTI-VILLAS BUSINESS AREA STREETS: PHASE 1	SPLISH SPLASH CONSTRUCTION	R14 202 187.64	23/01/2013
38/2012	CONSTRUCTION OF DZANANI COMMUNITY HALL	FGN CONSTRUCTION PLANT & PLANT HIRE	R12 824 657.28	23/01/2013
21/2012	DESIGN, UPGRADE AND REFURBISHMENT OF BUNGENI SPORTSFIELD	T3 CONSULTING ENGINEERS CC	THESE ARE ENGINEERING SERVICES AMOUNTS CHARGED VARY PER MILESTONE OF EACH CONSTRUCTION PROJECT- COST OF THE PROJECT ,IN THIS CASE IT WILL BE THE PERCENTAGE AS DETERMINED BY ENGINEERING COUNCIL OF SA.	23/01/2013
22/2012	DESIGN, UPGRADE AND REFURBISHMENT OF VUWANI SPORTSFIELD	THIKO CONSULTING	THESE ARE ENGINEERING SERVICES AMOUNTS CHARGED VARY PER	23/01/2013

		ENGINEERS	MILESTONE OF EACH CONSTRUCTION PROJECT- COST OF THE PROJECT ,IN THIS CASE IT WILL BE THE PERCENTAGE AS DETERMINED BY ENGINEERING COUNCIL OF SA.	
49/2012	CONSTRUCTION OF PIESANGHOEK TO KHUNDA ROAD FROM GRAVEL TO SURFACING	CAPSTAIN TRADING 215/RAM 77 AT-R CONSTRUCTION JV	R18 994 151.15	20/02/2013
50/2012	CONSTRUCTION OF TSHIVHULANA TO TSHILAPHALA RING ROAD	PGN CIVILS/MBHAHLENI JV	R17 832 447.31	20/02/2013
40/2012	HEALTH AND HYGIENE AT VARIOUS ABLUTIONS: MUNICIPAL BUILDINGS	NDAMU GENERAL SUPPLIER	R780 000.00	12/03/2013
42/2012	DEMARICATION OF 100 SITES AT TIYANI RIBUNGWANA VILLAGE	LANDMARK CONSULTING TRADING	R185 000.00	13/03/2013
43/2012	DEMARICATION OF 300 SITES AT MUANANZHELE COMMUNAL PROPERTY ASSOCIATION	VUTSILA CONSULTING	R519 000.00	13/03/2013
45/2012	DEMARICATION OF 200 SITES AT HA-MASIA TSHIKWARANI VILLAGE	LANDMARK CONSULTING TRADING	R370 000.00	13/03/2013
46/2012	FORMALIZATION OF 700 SITES AT MATSHAVHAWE VILLAGE	PIETERSE DU TOIT AND ASSOCIATES	R1 131 567.91	13/03/2013
41/2012	VALUE-ADDED TAX (VAT) RECOVERY FOR 2012/2013 FINANCIAL YEAR	SEMO AND ASSOCIATES	RATES	13/03/2012
48/2012	SUPPLY, DELIVERY, REPLACEMENT OF EXISTING AND INSTALLATION OF NEW HEAVY DUTY SECURED PALISADE FENCE FOR MAKHADO ELECTRICITY SUBSTATION	QUINTAX 212	R394 987.00	13/03/2013
37/2012	CONSTRUCTION OF WATERVAL COMMUNITY HALL	SEAKIRI WORKS	R8880 151.58	14/5/2013

### 2.3.3. Municipal Website

The Municipality has an official website that is updated continuously. The website is [www.makhado.gov.za](http://www.makhado.gov.za). This website serves as an integral part of the Municipality's communication infrastructure and strategy. It allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. The role of Municipality's website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

- The Local Government Municipal Systems Act No 32 of 2000 ("the Systems Act");
- The Local Government Municipal Financial Management Act No 56 of 2003 ("the MFMA"); and
- The Municipal Property Rates Act, no 6 of 2004 ("the MPRA").

#### Website Management and Control

The following officials were tasked to collect website content and process it for populating the website:

- Muvhango P Department Corporate Support and Shared Services
- Mathivha A Finance Department
- Sidimela M.P Department Development Planning
- Mathonsi S.A Department Community Services
- Caroto S Department Corporate Support and Shared Services
- Bobodi L Department Community Services
- Ragimana L Department Technical Services

Meetings were held every Monday at 7:15 to review the previous week's events and to discuss about site content. Every department's role was defined as follows:

- Corporate Support and Shared Services -Layout and site updates
- Community Services -Municipal events, reports, speeches, photos and stories
- Development Planning - All developmental Planning, LED and IDP, Town Planning issues
- Technical Services - All progress as per projects running.
- Finance – All financial related issues/ documents that is supposed to be on site by legislation, e.g. Annual Report, budget, tenders and quotations etc. All quotations and tenders are sent to Manager Administration & Council Support (done for administrative purpose) before they are sent to ICT staff for publication.

Any other correspondence could also be sent via email for publication. It posed a challenge to keep motivation high for this task. The actual technology action to populate the website is performed by SITA on behalf of Municipality as arranged per SLA.

#### 2.3.4. By-laws

**Table 10: By Laws**

<b>NAME OF BY-LAW</b>	<b>REMARKS</b>
Draft Credit Control and Debt Collection By Laws	Approved
Draft Tariff By Laws	Approved
Draft Child Care Facilities By Laws Care Facilities	Approved
Draft Regulations of Bursary Loans By laws	Approved
<b>Public Health</b> : Draft Fumigation By Laws	Approved
<b>Environment</b> : Draft Inflammable Liquids and Substances By Laws	Approved
<b>Trading</b> : Draft Street Trading By Laws	Approved
Draft Parking Meter and Parking Ground By Laws	Approved
<b>Draft Municipal Facilities</b> : Hiring of Municipal Premises and Amenities By Laws	Approved
<b>Draft Municipal Facilities</b> : Sport Facilities By Laws	Approved
<b>Draft Municipal Facilities</b> : Cemeteries By Laws	Approved
<b>Environment</b> : Draft Parks, Gardens and Public Open Spaces By Laws	Approved
Draft Outdoor Signs (Advertising and Other) By Laws	Approved
Draft by Law on Waste Management	Referred to provincial office for promulgation
Draft Abattoir by Law	Still a Draft
Draft Building Regulations by Law	Referred to provincial office for promulgation
Draft control of temporary advertisement and pamphlets by Law	Still a Draft
Draft Licencing and Control of Undertaking that Sell Food to Public by Law (Food Handling bylaws)	Referred to provincial office for promulgation
Draft Public Health by Law	Still a Draft
Draft By-Laws for Roads, Traffic and Safety	Approved
Draft Environment: Waste Management (Nonhazardous,Solid Waste) By-Laws	Approved
Draft Land and Buildings (Land): Aerodrome By-Laws	Approved
Draft Public Health: Animal By-Laws	Approved
Draft Aerial Systems By-Law	Approved
Draft Commonage By-Law	Approved
Draft Fences and Fencing By-Laws	Approved
Draft Heritage Resources and Cultural Institutions By-Laws	Still a Draft
Draft Electricity Supply By-Law	Still a Draft
Draft Environment(Open Space): Caravan Park By-Laws	Approved
Legislation: Environment(Open Source):Draft Caravan Park By-Laws	Still a Draft
By-Laws Phase1 Invitation for Public Comments	Still a Draft
Invitation for Public Hearing and Submissions	Still a Draft
WATER BY LAWS, 1977	Approved
RULES AND ORDERS BY LAWS, 2007	Approved
PROPERTY RATES BY LAWS, 2008	Approved

## 2.3.5. All Municipal Oversight Committees

### 2.3.5.1. Council Representatives at Vhembe

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

- Cllr M D Mboyi, Cllr H F Mathavha, Cllr N Dagada, Cllr R Malange, Cllr L M Mathalise, Cllr J Dzhombe, Cllr M D Mulovhedzi, Cllr R G Nkanyane (Machovani), Cllr R T Makhubele, Cllr N S Munyai, Cllr A S Gundula, Cllr M E Malima, Cllr A Kennealy and Cllr B F Hlongwane

Three vacancies occurred in the above representation when Cllr N Dagada and Cllr J Dzhombe resigned and Cllr A S Gundula passed on. The vacancies were filled on the 4<sup>th</sup> of July 2012 by the following:

- Cllr M G Mahani, Cllr S V Mahladisa and Cllr M P Mathoma

### 2.3.5.2. Municipal Public Account Committee

Municipal Public Account Committee was constituted on 1<sup>st</sup> December 2011 and the following were appointed as members:

- Cllr L B Magale, Cllr T Malange, Cllr J Shandukani, Cllr B F Hlongwani, Cllr M R Madzivhandila, Cllr T P Mamorobela, Cllr M Mutele, Cllr Q Ratshivhombela, Cllr R S Baloyi, Cllr H G Mahani and Cllr H Mathavha Cllr A Kennealy

The Chairperson of MPAC was Cllr R S Baloyi who was later replaced by Cllr T M Malange. MPAC was later reconstituted as follows:

- Cllr T M Malange (Chairperson) (from 4 July 2012), Cllr J Shandukani, Cllr B F Hlongwani, Cllr M Mutele, Cllr Q Ratshivhombela, Cllr H G Mahani, Cllr H Mathavha, Cllr A Kennealy and Cllr M R Madzivhandila.

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

### 2.3.5.3. Section 79 Committees

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

Table 11: Section 79 Committees

	Portfolio Committee	Name
1.	<b>Housing, Roads and Transport :</b> Cllr Mathalise L M (Chairperson)	Mukhari M F Matodzi H A Nkanyani R G Rekhotso F J Mazibuko M P Madavhu F F Matumba M T Ramudzuli S D
2.	<b>Finance:</b> Cllr Chililo N F (Chairperson)	Mmboyi D Selepe R Tshilambwana M S Magada M R Sakhwari I

		Maphahla A Z Mahladisa S V Makhuvha V S
3.	<b>Sports and Recreation, Arts and Culture:</b> Cllr Hlabioa M M (Chairperson)	Mukhaha A J Davhana N D Munyai N S Mulovhedzi M D Maphahla A Z Masuka S
4.	<b>Youth, Women, Elderly, Gender, People with Disability and Children:</b> Cllr Mthombeni S Z (Chairperson)	Matodzi A M Mukhaha A J Mmbadi T A Kutama N Rekhotso S M Nemafhohoni M G Mamatsiari M S
5.	<b>Technical Services and Infrastructure:</b> Cllr Hlungwani K A (Chairperson)	Madzhiga F N Maphala O S Ndzovela N G Madavhu F F Matumba N J Malima M E Lerule M M
6.	<b>Community Services:</b> Cllr Tshilambwana M S (Chairperson)	Kutama N Mulovhedzi M D Balibali N P Neluvhola A T Luduvhungu V S Hlabioa M M Malima M E
7.	<b>Corporate Services:</b> Cllr Mamafha T J (Chairperson)	Ngobeni N E Maphala O S Makhuvha V S Mmbadi T A Ludere E H Mamatsiari M S Sakhwari I
<b>Sub-committees</b>		
	<b>Corporate Services Sub-Committees</b>	
	<b>A. Local Labour Forum</b> Cllr Mamafha T C (Chairperson)	Mathoma P Mamafha T J
	<b>B. Employment Equity</b> Cllr Kutama N (Chairperson)	Mathalise L M Ludere E H Malange R
	<b>C. Pension Funds</b> Cllr Mathladise S V (Chairperson)	Gabara M J Munyai N S Magada M R
8.	<b>Planning, Economic Development, Tourism and Traditional Affairs:</b> • Cllr Mathoma P (Chairperson)	Rasimphi M P Ndzovela N G Netshivhulana P Ramudzuli S D Ndwammbi M T Mamafha T J Neluvhola A T
9.	<b>Disaster, Moral Regeneration and Pastors Forum:</b> • Cllr Davhana D (Chairperson)	Mathoma P Rasimphi M P Mukhaha A J Mavhunda M D

		Nemafhohoni M G Malange R Matodzi A M Mathalise L M
10.	<b>Rules and Ethics:</b> • Cllr F N Madzhiga (Chairperson)	Matodzi A M Mmbadi T A Mamafha T C Rasimphi M P Nemafhohoni M G Balibali N P
11.	<b>Municipal Public Accounts Committee:</b> • Cllr Malange T M (Chairperson)	Shandukani M J Hlungwane B F Madzivhandila M R Mutele M Ratshivhombela Q Mahani M G Mathavha H Kennealy A

#### 2.3.5.4. Section 80 Committees

	Portfolio	Name of Councillors
1.	<b>Housing, Roads and Transport :</b> Cllr Mamorobela T P (Chairperson)	Mukhaha A J Hlungwani K A Nemafhohoni M G Sakhwari I Chililo N F Rekhotso S M Tshilambyana M S Balibali N P Madzhiga M Mamatsiari M S
2.	<b>Finance:</b> Cllr Tshavhuyo T G (Chairperson)	Rikhotso F J Mukhaha J Davhana N D Munyai N S Mulovhedzi M D Netshivhula P Makhubele R Du Plooy A Ndwambi M T
3.	<b>Sports and Recreation, Arts and Culture:</b> Cllr Thandavhathu N R (Chairperson)	Chililo N F Mthombeni S Z Tshilambwana M J Ndwambi M T Magada M R Sakhwari I Makhubele R T Maphahla A Z Lerule M M
4.	<b>Youth, Women, Elderly, Gender People with Disability and Children:</b> Cllr Ratshikuni T D (Chairperson)	Mthombeni S Z Mathalise L M Mukhari M F Matodzi N A Nkanyani R G Ludere E H Madzivhandila R Matumba N J

		Mamafha T J Chililo N F Ramudzuli S D
5.	<b>Technical Services and Infrastructure:</b> Cllr Sinyosi S M (Chairperson)	Madzhiga N Mathladisa S V Kutama N Mmboyi D Mulovhedzi M D Balibali N P Jooma Z Netshivhula P Matumba M T Ledere E H Mamatsiari M S
6.	<b>Community Services:</b> Cllr Mashimbyi P F (Chairperson)	Mamafha T J Maphala O S Hlungwani K A Madavhu F F Jooma Z Sakhwari I Nkanhyani R G Kutama N Selepe M R Machovani G Magada M R
7.	<b>Corporate Services:</b> Cllr Baloyi R S (Chairperson)	Madzhiga N Mathoma P Rasimphi M P Mukhaha A J Mamafha T C Machete M Davhana D Mthombeni A Z Malima M E
<b>Sub-committees</b>		
8.	<b>Corporate Services Sub-Committees</b> <b>A. Local Labour Forum</b> Cllr Baloyi R S (Chairperson)	Davhana N D Mukhaha A J Mthombeni S Z
	<b>B. Employment Equity</b> Cllr Baloyi R S (Chairperson)	Mathoma P Machete M Mathalise L M Malima M E
9.	<b>Pension Funds</b> • Cllr Baloyi R S (Chairperson)	Madzhiga N Rasimphi M P Mamafha T C
10.	<b>Planning, Economic Development, Tourism &amp; Traditional Affairs:</b> • Cllr Mamorobela T P (Chairperson)	Munyai N S Malange R Ngobeni N E Gabara M J Hlungwani B F Magada M R Kutama N Balibali N P Matumba M T Selepe M R
11.	<b>Disaster, Moral Regeneration and Pastors Forum:</b> • Cllr Underwood J P (Chairperson)	Mamafha T J Netshivhula P Maphala O S Makhuvha V S

		Malema M E Mmbadi T A Mamatsiari M S Mazibuko M P Nndwambi M T Madzivhandila R
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#### Women's Caucus – section 79 Committee

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

Table 12: Women's Caucus

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

The Performance Audit and Audit Committee were firstly constituted on the 27 February 2012 as follows: Mr. B. Mbewu, Dr J. Zaaiman, Ms. S.J. Masite, and Mr. ZL. Luxolo. Mr B. Mbewu was appointed as the chairperson of the Committee. During 2012/13 the Audit and Performance Audit Committee composition amended as follows:

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

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

#### 2.3.5.6. Meetings Held For 2012/2013 Financial Year (Council, EXCO and Portfolio Committees)

Table 13: Meetings held For 2012/2013 Financial Year (Council, EXCO and Portfolio Committees)

DATE	PORTFOLIO COMMITTEES	EXECUTIVE COMMITTEE	COUNCIL
July 2012 to June	127	26	11

2013			
	Total of official council and committee meetings held in 2012/2013 financial year = 164		

#### 2.4. 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:

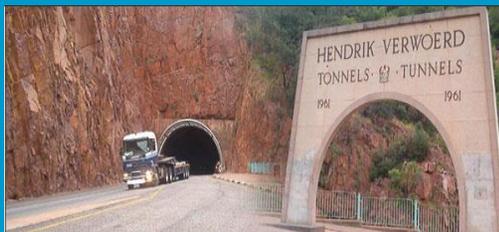
**Table 14: Section 57 Managers 2012/2013**

Name	Position	Remark
1. Mutshinyali I P	Municipal Manager	Mr Mugari E L acted for the period 1 July 2012 to 31 August 2012. Mr Mutshinyali commenced service on the 1 <sup>st</sup> of September 2012
2. Mugari E L	Director Community Services	Mr Mugari E L until 31 March 2013. Mr M J Kanwendo acted from 1 April 2013 to 30 June 2013.
3. Mrs Sinthumule M D	Director Development and Planning	None
4. Mrs Ndou T S	Director Corporate Services	None
5. Mr Ralulimi T E	Director Technical Services	Mr Ralulimi T E until 31 May 2013. Mr L F Ragimana acted form 1 June 2013 to 30 June 2013.
6. Ms Makhubele M P	Chief Financial Officer	Ms Makhubele MP was appointed with effect from 01 <sup>st</sup> October 2012. For the months of 1 July 2012 to 30 September 2012 Mr G P Mapheto acted as CFO



# CHAPTER 3

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



## ANNUAL REPORT 2012/2013



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

## COMPONENT A: OVERVIEW OF SERVICE DELIVERY

### 3.1. OVERVIEW

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

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

The capital expenditure during the financial year under review amounted to R64, 964,156.23 which translates to 74% of the total capital budget. The low expenditure can be attributed to:

- *Backlog in forward planning*
- *Late appointment of service providers*
- *Cash flow management as service providers were paid late in that most of the payments were done after 60 days.*

#### Overview of capital projects implemented

A total of twenty five (25) infrastructure projects out of one hundred and ninety four (194) infrastructure movable assets, which included acquisition; thirty two (32) projects are completed, Eighty three (83) projects were deferred do to financial constraints, Eleven (11) projects under are implementation and contractors are on site, work is above 50% complete for a period of two financial years as the projects allocation and plans.

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

Construction for a new waste water treatment works continued in Makhado Town. This is a project commissioned by Vhembe District Municipality (VDM) as the Water Services Authority (WSA/WSP) who also appointed the consulting engineers and contractors for this purpose. If funds become available, the total capacity of this new wastewater treatment plant will increase to 10 mega litres per day the project is at 95% complete.

### Electricity connections performed

A total of one thousand one hundred and seventy three (1173) households have been supplied with electricity connections. 176 connections in Municipality's licensed area and 897 connections in Eskom licensed area of the municipality. In the case of the municipality's electricity licensed area, all households have already been provided with electricity and work in these areas are mostly post connections where villages are extended and or additional supply points are done in terms of the supply policy. This additional connections made has reduced the electricity services backlog by 5%. The reduction in the percentage towards reducing the backlog in access to electricity during the year under review is attributed to the fact that budget was adjusted downwards during the year.

### Roads rehabilitation

Some roads were rehabilitated and upgraded. A total of altogether of twenty three (23) km of roads is being upgraded from gravel to tar during the year under review. Eleven (11) projects which were to address pavement improvement and accessibility could not be completed in year under review and still under implemented due to the fact that the projects were planned to be implemented in two financial years, 2012/13 and 13/14 respectively.

## COMPONENT B: BASIC SERVICES

### 3.2. BASIC SERVICES

Under basic services this document will record factual information on the service delivery of 3.2.1 water; 3.2.2 waste water (sanitation); 3.2.3 electricity; 3.2.4 solid waste management (refuse removal) and 3.2.5 provision of housing for the poor, as well as 3.2.6 a summary of delivery of free basic services.

#### 3.2.1 WATER SERVICES

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

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

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

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

**Table 15:** Water Service Delivery Levels

Water Service Delivery Levels			
Description	Households		
	2011/12	2012/13	2013/14
	Actual No.	Actual No.	Actual No.
<b>Water:</b> (above min level)			
Piped water inside dwelling	58,631	21,119	21,119
Piped water inside yard (but not in dwelling)	0	37,511	37,511
Using public tap (stand pipes )	22,265	35,623	35,623
Other water supply (within 200m)	36,325	12,805	12,805

Water Service Delivery Levels		Households		
Description	2011/12	2012/13	2013/14	
	Actual No.	Actual No.	Actual No.	
<i>Minimum Service Level and Above sub-total</i>	117,221	107,058	107,058	
<i>Minimum Service Level and Above Percentage</i>	87%	79,368%	79,368%	
<b>Water:</b> (below min level)	17,668	17,668	17,668	
Using public tap (more than 200m from dwelling)		6 710	6 710	
Other water supply (more than 200m from dwelling)	14,059	3 452	3 452	
No water supply		17,668	17,668	
<i>Below Minimum Service Level sub-total</i>	14,059	27,830	27,830	
<i>Below Minimum Service Level Percentage</i>	10%	20,632%	20,632%	
<b>Total number of households*</b>				

**Table 16:** Households - Water Service Delivery

Households - Water Service Delivery		Households			
Levels below the minimum					
Description	2011/12	2012/13	2012/13	2013/14	
	Actual No.	Actual No.	Original Budget	Adjusted Budget	Actual No.
			No.	No.	
<b>Formal Settlements</b>					
Total households			134,889		134,888
Households below minimum service level	129,665	17,668	17,668	17,668	17,668
Proportion of households below minimum service level	60,375				
	46%		13%		13%
<b>Informal Settlements</b>					
Total households		6,150			
Households below minimum service level	6,150	6,150	6,150	6,150	6,150
Proportion of households below minimum service level	100%		100%		100%
*VDM is the registered WSA/WSP and holds these figures. The Makhado data base does not reflect on accurate totals for					

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

**Table 17:** Access to Water

Access to Water					
	Proportion of households with access to water points	Proportion of households with access to piped water			Proportion of households receiving 6 kl Free Basic Water
2011/12	48%	48%			29%
2012/13	56%	56%			35%

**Table 18:** Employees: Water Services

Employees: Water Services					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	2	1	50
4 - 6	1	4	2	1	50
7 - 9	11	11	7	1	10
10 - 12	13	0	10	07	70
13 - 15	44	126	34	0	0
16 - 18	0	0			
19 - 20	0	0			
Total	69	142	55	10	

### 3.2.2. SANITATION SERVICES (SEWER)

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

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

## WASTE WATER (SANITATION)

Table 19: Sanitation

Description	2010/11	2011/12	2011/12		2012/13		
	Outcome	Outcom e	Target	Actual	Target	Actual	Remedial Action
	No.	No.	No.	No.	No.	No.	
<b>Sanitation/sewerage:</b> (above minimum level)							
Flush toilet (connected to sewerage)	1,070	19,553	*	*	*	*	None
Flush toilet (with septic tank)	1,742						None
Chemical toilet	0	0	*	*	*	*	None
Pit toilet (ventilated)	2,694	76,773	*	*	*	*	None
Other toilet provisions (above minimum service level)	67,309		*	*	*	*	None
<i>Minimum Service Level and Above sub-total</i>		96,326	*	*	*	*	None
<i>Minimum Service Level and Above Percentage</i>		71,4	*	*	*	*	None
<b>Sanitation/sewerage:</b> (below minimum level)		9,734					None
Bucket toilet	0	748	*	*	*	*	None
Other toilet provisions (below minimum service level)		0	*	*	*	*	None
No toilet provisions	41,234	8,986	*	*	*	*	None
<i>Below Minimum Service Level sub-total</i>	26,940	9,734	*	*	*	*	None
<i>Below Minimum Service Level Percentage</i>		7.2	*	*	*	*	None

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

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

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

**Table 20:** Settlements

Description	2010/11	2011/12			2012/13		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>							
Total households	67,309	*	*	*	*	*	*
Households below minimum service level	67,309	*	*	*	*	*	*
Proportion of households below minimum service level		*	*	*	*	*	*
<b>Informal Settlements</b>		*	*	*	*	*	*
Total households		*	*	*	*	*	*
Households below minimum service level		*	*	*	*	*	*
Proportion of households below minimum service level		*	*	*	*	*	*

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

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

**Table 21:** Employees: Sanitation Services

Employees: Sanitation Services					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	2	1	50
4 - 6	1	4	2	1	50
7 - 9	11	11	7	1	90
10 - 12	13	0	10	7	70
13 - 15	44	126	34	0	0
16 - 18	0	0			
19 - 20	0	0			
Total			55	10	

**Table 22:** Service Targets

Financial Year		2010/11		2011/12		2012/13		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<i>e.g. Provision of toilets</i>	Additional Households (HHs)					25 112	25 112	None

<b>within standard</b>	provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)					8 251	8 251	
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\*VDM is the registered WSA/WSP and holds these figures. The Makhado data base does not reflect on accurate totals for this table.

### **3.2.3 ELECTRICITY SERVICES**

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

#### **3.2.3.1 Overview**

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

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

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

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

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

#### **3.2.3.4 The 4 top strategic objectives of this function for 2012/13 were:**

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

### 3.2.3.5 The 4 key issues for 2012/13 were:

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

**Table 23:** Electricity Service Delivery Levels

Electricity Service Delivery Levels			
Description	Households		
	2010/11	2011/12	2012/13
	Actual	Actual	Actual
	No.	No.	No.
<b><u>Energy: (above minimum level)</u></b>			
Electricity (at least minimum service level)	10,800 83,000.00	2,469 111,134.00	86060
Electricity - prepaid (minimum service level)			
<i>Minimum Service Level and Above sub-total</i>			
<i>Minimum Service Level and Above Percentage</i>			66
<b><u>Energy: (below minimum level)</u></b>		14,298	
Electricity (<minimum service level)	34,514		34693
Electricity - prepaid (< min. service level)			
Other energy sources			
<i>Below Minimum Service Level sub-total</i>	34,514	14,298	34693
<i>Below Minimum Service Level Percentage</i>	27	11	26
<b>Total number of households</b>	129,665	134,889	129665

**Table 24: Service Targets**

Financial Year		2010/11		2011/12		2012/13		
Service Targets		Target	Actual	Target	Actual	Target	Actual	Remedial Action
<i>Provision of minimum supply of electricity</i>	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)		10,800	111,134	111,134	2065	1073	Need more funding

**Table 25: Employees: Electricity Services**

Employees: Electricity Services					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0
4 - 5	10	9	8	1	10
6 - 9	26	16	16	0	0
10 - 12	42	39	33	6	15
13 - 15	28	24	22	2	8
16 - 18					
19 - 20					
<b>Total</b>	<b>110</b>	<b>92</b>	<b>83</b>	<b>9</b>	<b>9.7</b>

**Table 26: Capital Expenditure 2012/13: Electricity services**

Capital Expenditure 2012/13: Electricity services						
R' 000						
Capital Projects	2012/13					Project Status (Completed or Not Completed)
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
<b>Total All</b>						
Afton Ext	400000	4633	4633	395367	400000	Not Completed

Capital Expenditure 2012/13: Electricity services						
R' 000						
Capital Projects	2012/13					Project Status (Completed or Not Completed)
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Njakanjaka Phase 2 (engineering)	400000	0	0	400000	400000	Not Completed
Vleifontein & Parkview	96637	0	0	96637	96637	Completed
Magau Ext	300000	2606	2606	297394	300000	Not Completed
Sane Ext	300000	0	0	300000	300000	Not Completed
Manavhela Ext	350000	2606	2606	347394	350000	Not Completed
Madombidzha Ext 2	282086	110270	110270	171816	282086	Completed
Tiyani	2299964	863816	863816	1436118	2299964	Completed
Olifantshoek	187739	0	0	187739	187739	Not Completed
Rahamantsha Ext	450000	27724	27724	422276	450000	Completed
Tshikwarani/Mudulu ni	7000000	7000000	5249979	0	7000000	Not Completed
Ribungwani	18000	0	0	18000	18000	Not Completed
Ndiitwani	570373	0	0	570373	570373	Not Completed
Gogobole Ext	400000	397197	2803	397197	400000	Not Completed
Masekane/Woyoza 2	380153	0	0	380153	380153	Not Completed
Riverside Ext	300000	298697	1303	298697	300000	Not Completed
Upgrading Mountain line	1000000	0	0	1000000	1000000	Not Completed
Upgrading Industrial line	1500000	1499412	588	1499412	1500000	Not Completed
Upgrade Urban Substations	500000	0	0	500000	500000	Not Completed
Vehicles LDV x 3	1250000	0	0	1250000	1250000	Not Completed
1 x 7 Ton TRUCK	700000	0	0	700000	700000	Not Completed
Replace all streetlights energy	5000000	0	1816550	0	5000000	Not Completed

Capital Expenditure 2012/13: Electricity services						
R' 000						
Capital Projects	2012/13					Project Status (Completed or Not Completed)
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
efficiency						
Low voltage Problems urban	150000	50000	49900	100000	150000	Completed
Low voltage problems rural	150000	50000	49890	100000	150000	Completed
MV Cable 70mm <sup>2</sup> - urban network	800000	0	682500	0	800000	Not Completed
Air conditioners - Replacements	300000	200000	0	200000	300000	Not Completed
INEP Projects - (Tshikwarani Muduluni)	7000000	0	5249979	0	7000000	Completed

### 3.2.3.6 Performance Summary of Electricity services overall

- Of the total approved capital expenditure only 51% could be spent.
- An amount of R13.7million was earmarked for roll over to the 2012/13 financial year.
- Of the 75 projects funded by own income as capital source, only 22 projects could fully be completed.
- A total of 53 projects have been cancelled due to financial constraints.
- A total of 14 projects were still being completed at the end of the 2012/13 financial year.
- The total allocation of the INEP was utilized for the electrification extension of the Tshikwarani/Muduluni project, which is a multiyear project.

### 3.2.4 REFUSE REMOVAL SERVICES (WASTE MANAGEMENT)

Municipality is responsible for operating and maintaining a solid waste management service (refuse removal) dealing with solid waste collection, storage and management thereof, particularly at household and business level. There are two permitted landfill sites, one in operation and full to capacity, another one is under development phase. There are three waste transfer stations within the municipality; one is under construction in Dzanani Region and other two to be developed 2014/15 and 2015/16 respective. 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 74 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.

#### 3.2.4.1 Overview

Fully fledged domestic and business refuse removal services are delivered with own staff in five (5) formal towns once per week to altogether ten thousand nine hundred and ninety eight (10 998)

households; and twice per week at altogether two thousand and thirty (2,082) business premises collection points.

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

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 and monitors overgrown land and provides clearing to the overgrown land using 20 EPWP project workers. Emerging waste recycling companies and the formation of entrepreneurs are supported and the emphasis on separation of waste at the source is further encouraged.

#### **3.2.4.2 Challenges experienced**

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

- Lack of skilled personnel on waste management infrastructures & lack of equipment due to budget constraints.
- The existing landfill site which 100% full
- 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
- viii) Ageing of landfill compactor machine

#### **Intervention strategy to address challenges**

- To expedite the development of the new landfill site
- To development of other waste management facilities,
- To purchasing of the new Landfill compactor machine,
- To intensify revenue enhancement through waste collection services,
- To train personnel on the proper management of waste disposal facilities,
- To intensify education and awareness campaigns towards waste and environment.
- To outsource waste covering material (soil).
- To close and rehabilitate the existing landfill site in accordance to the Rehabilitation Plan.

**Table 27:** Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels						
Description	Households					
	2009/10	2010/11	2011/12	2012/13		
	Actual	Actual	Actual	Actual	Remedial Action	
	No.	No.	No.	No.		
<b>Solid Waste Removal: (Minimum level)</b>						None
Removed at least once a week	9 856	10375	10 998	10 998		None
<i>Minimum Service Level and Above sub-total</i>	9 856	10375	10 998	10 998		None
<i>Minimum Service Level and Above percentage</i>	8%	8%	8%	0		None
<b>Solid Waste Removal: (Below minimum level)</b>						None
Removed less frequently than once a week	0	0	0	0		None
Using communal refuse dump	0	0	0	0		None
Using own refuse dump	0	0	0	0		None
Other rubbish disposal	0	0	0	0		None
No rubbish disposal	119 809	119 290	118 667	118 667		None
<i>Below Minimum Service Level sub-total</i>	119 809	119 290	118 667	118 667		To reduce the number of un-serviced households by at least 2%
<i>Below Minimum Service Level percentage</i>	92%	92%	91.5%	91.5%		None
<b>Total number of households</b>	9 856	10 375	10 998	10 998		None

**Table 28:** Households - Solid Waste Service Delivery Levels below the minimum

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	2009/10	2010/11	2011/12	2012/13		
	Actual	Actual		Original Budget	Adjusted Budget	Actual
	No.	No.		No.	No.	No.
<b>Formal Settlements</b>						
Total households	129 665	129 665	129 665	129 665	129 665	10998
Households below minimum service level	119 809	119 809				
Proportion of households below minimum service level	92%	92%	92%			
<b>Informal Settlements</b>						
Total households	0.00	0.00	0.00			

Households below minimum service level	0	0	0	0.00	0.00	0.00
Proportion of households below minimum service level						

**Table 29 Service Targets**

<b>Waste Water (Sanitation) Service: To maintain clean, healthier and safe environment for the community.</b>										
<b>Service Indicators: Number of households served with a provision of weekly collection service</b>										
<b>Financial Year</b>	<b>2009/10</b>		<b>2010/11</b>		<b>2011/12</b>		<b>2012/13</b>			
<b>Service Targets</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Remedial Action</b>	
<b>Service objectives:</b>										
<b>Provision of weekly collection service per household (HH)</b>	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	9 856	9 856	9856	9856	10375	10375	10998	10998	None
<b>Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites</b>	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage						1%	2%	2%	None
<b>Proportion of waste that is recycled</b>	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.						40 %	42%	42%	None
<b>Proportion of landfill sites in compliance with the Environment</b>	% of landfill sites by volume that are being managed in compliance				1		1	1	1	None

<b>tal Conservatio n Act 1989.</b>	with the Environmenta l Conservation Act 1989.								
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**Table 30:** Employees: Solid Waste Management Services

<b>Employees: Solid Waste Management Services</b>					
<b>Job Level</b>	<b>2011/12</b>	<b>2012/13</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies(as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
7 - 9	1	1	1	0	0
10 - 12	6	6	6	0	0
13 - 15	74	67	67	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>83</b>	<b>76</b>	<b>76</b>	<b>0</b>	<b>0</b>

**Table 31** Employees: Waste Disposal and Other Services

<b>Employees: Waste Disposal and Other Services</b>					
<b>Job Level</b>	<b>2011/12</b>	<b>2012/13</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	1	1	1	0	0
13 - 15	3	3	0	0	0
16 - 18	0	0	0	0	0
19 - 20	3	3	1	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>2</b>	<b>0</b>	<b>0</b>

**Table 32** Capital Expenditure 2012/13: Sanitation Services

Capital Expenditure 2012/13: Sanitation Services					
R' 000					
Capital Projects	2012/13	2012/13			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6.54m				
Development of refuse transfer stations	1 500 000.00	0	921 325.00	621 325.00	1500 000.00
Refurbishment of Existing Landfill site	1 200 000.00	0	72 724.60	537 075.40	1 200 000.00
<b>Total Operational Expenditure</b>	12436103.55	12862103.55	11939007.86	426000.00	12862103.55
<b>Net Operational (Service) Expenditure</b>					

### 3.2.4.2. Performance Summary Overall

The Division performed according to operational plan. The management of Landfill site has also been a challenge during the year under review as the facility is full to its capacity, also experienced a fire outbreaks. The waste compactor machine is very old which makes difficult to manage the facility according to the required operational standards and requirements and the municipality have always been found not complying with the operational set of rules.

The following challenges were experienced

- The tender for the development of the new landfill site was advertised and no suitable & qualified bidder was found amongst bidders (ten key procedures).
- Dispute over ownership of land for the development of Dzanani Refuse Transfer Station which contributed to delays in the completion of the facility.

### 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 2012/2013 identifies the housing backlog to be at sixteen thousand eight hundred and seven (16,807) units.

**Table 33 Access to housing**

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

**Table 34 Service targets**

Table 22							
Housing Service Objectives : To facilitate provision of quality housing							
Service Indicators: Number of people included in the data base							
Financial Year	2010/11		2011/12		2012/13		
Service Targets	Target	Actual	Target	Actual	Target	Actual	Remedial Action
<b>Services objectives</b>	<b>950</b>	<b>950</b>	<b>880</b>	<b>879</b>			
1. Development of housing beneficiary list		880	880		502	415	Contract expired before completion. Issue to be taken to Project Manager from CoGHSTA
2. Conducting housing Consumer Education for beneficiaries							
3. Identification of Development areas.							
4. Development of three year circle for housing development.							
5. Handling of all complaints related to housing issues							

**Table 35** Employees: Housing Services

Employees: Housing Services					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0		
4 – 6	1	1	1		
7 – 9	3	3	3		
10 – 12	0	0	0		
13 – 15	0	0	0		
16 – 18	0	0	0		
19 – 20	0	0	0		
Total	4				

**Table 36** Financial Performance 2012/13: Housing Services

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

**Table 37** Capital Expenditure 2012/13: Housing Services

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



## COMPONENT C: DELIVERY OF FREE BASIC SERVICES

### 3.3. DELIVERY OF FREE BASIC SERVICES

Council adopted a Tariff and Free Basic Services Policy for the 2012/13 financial year clearly outlining its relief in the form of free basic services as well as a Policy of a Subsidy Scheme for Indigent Households which in conjunction forms the rules for delivering free basic services. An extract from the Tariff policy reads as follows-

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

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

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

**Table 38:** Free Basic Service Targets

Free Basic Service Policy Objectives: To provide sustainable, reliable, safe and affordable water services.									
Service Indicators: Number of Low income households receive all the free basic services									
Financial Year	2009/10		2010/11		2011/12		2012/13		
Service Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action
Service Objectives:									

<i>Provision of alternative support to low income households that do not receive all Free Basic Services</i>	Total number of Low income households (LIHs) who do not receive all the free basic services but <u>do</u> receive alternative support (Total number of LIHs not in receipt of free basic services)									None
	Water	50,075		38,204		60,375		38204	38204	None
	Sanitation	4,992		8,251		90,430		8251	8251	None
	Electricity	3,000		34,693		6,822		34693	34693	None
	Refuse Removal	119,809		119,809		119,809		119809	119809	None
	Housing	21,020		18,286		17,754		17754	17754	None

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

**Free Basic Sanitation (FBS):** Free Basic Sanitation service is targeted to all poor households receiving an indigent subsidy monthly. For this purpose an indigent register is kept and updated annually. Council also adopted a Policy of a Subsidy Scheme for Indigent Households for the 2012/13 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.

## COMPONENT D: OTHER MUNICIPAL SERVICES

### 3.4. OTHER MUNICIPAL SERVICES

#### 3.4.1 Roads and storm water drainage

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

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

The assessment was done during 2007/8 financial year. National Treasury through National Department of Transport has allocated funds to Vhembe District through Rural Road Infrastructure Grant to develop Rural Roads Asset Management System. The project is aimed at assessing old roads within the municipality area and this project was supposed to be finalized before the end of 2012/13 financial year and the report is not yet gazetted.

**Table 39** Gravel Road Infrastructure

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Kilometers
				Gravel roads graded /maintained
2009/10	4400km	0	8km	
2010/11	4392	0	21.8KM	6014KIM
2011/12	4370	0	12KM	6014km
2012/13	4347	0		
			23km	3445km

**Table 40** Asphalted Road Infrastructure

Asphalted Road Infrastructure					
Kilometers					
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2010/11	26.3km	21.8KM	4.5KM	21.8KM	6014KM
2011/12	15km	12km	3km	12km	6014km
2012/13	23km	17.9km	5.1km	17.9km	3445km

**Table 41** Cost of Construction/Maintenance:

Cost of Construction/Maintenance:						
R' 000						
	Gravel			Asphalt		
	New	Gravel - Asphalt	Maintained	New	Re-worked	Maintained
2009/10						
2010/11		170M	36.8M		4.0M	
2011/12						
2012/13		0	0	55m	12.4m	

During the year under review the municipality experienced challenges with the engagement of the graders. They were often out of operation the purchase 3 graders during the 2012/13 financial year was done.

**Table 42** Employees: Road Services

Employees: Road Services					
Job Level	2011/12		2012/13		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	3	2	1	30.5
4 – 6	2	1	1	0	0

7 – 9	6	5	1	4	90
10 – 12	40	13	12	3	9
13 – 15	130	27	26	1	1
16 – 18	0				
19 – 20	0				
Total	180	49	42	8	15.5

**Table 43** Capital Expenditure 2012/13: Road Services

Capital Expenditure 2012/13: Road Services						
						R' 000
Capital Projects	2011/12					Project Status (Completed or Not Completed)
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Eltivillas extension 1 tarring of street	6000 000.00	0	4019 521.61	1 980 478.39	6000 000.00	Completed
Tshikota upgrading of streets	7 000 000.00	0	6 206 513.65	793 486.35	7 000 000.00	Completed
Waterval streets rehabilitation	6 000 000.00	8 500 000.00	8 274 459.79	2 274 459.79	8 500 000.00	Completed
Eltivillas business area streets rehabilitation	2 008 000.00	9 751 522.40	5 232 923.04	4 518 599.36	9 751 522.40	Not Completed
Waterval community hall	3 000 000.00	0	798 336.36	2 201 663.64	3 000 000.00	Completed
Dzanani community hall	3 000 000.00	5000 000.00	4 464 528.71	0	5000 000.00	Completed
Mphaila access road and bridge	5 000 000.00	0	4 541 948.48	458 051.52	5000 000.00	Completed
Piesanghoek to khunda road	6 642 000.00	0	5 252 567.81	1 389 432.19	6 642 000.00	Completed
Sereni to Mashamba post office road	3 500 000.00	6 000 000.00	5 693 971.22	0	3 500 000	Completed
Tshivhulana to Tshilaphala road	8 000 000.00	0	2 764 972.60	5 235 027.40	8 000 000.00	Not Completed
Tshakhuma landscaping and streets light	4 500 000.00	0	1 868 428.49	2 331 571.51	4 500 000.00	Completed

Capital Expenditure 2012/13: Road Services						
						R' 000
Capital Projects	2011/12					Project Status (Completed or Not Completed)
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Rehabilitation of LTT streets	1 850 800.00	0	1 835 701.76	0	1 850 800.00	Not Completed
Upgrading of sports facilities Bungeni and Vuwani	4 000 000.00	1 000 000.00	994 948.73	5 051.27	1 000 000.00	Not Completed

Note: should be taken that the budget provided is meant for 2012/13 and this will not complete the projects and provision is made for 2013/14 to complete this projects that are under implementation.

**Table 44** Developments of Municipal Roads

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

**Table 45** Roads Service Targets

Storm water Policy Objectives: To provide safe and sustainable roads and storm water services			
Service Indicators	Number of KMs of road rehabilitated and upgraded		
Service Targets	2011/12	2012/13	
<b>Service Objectives:</b>			
<i>Provide safe, sustainable roads and storm water services.</i>	Phasing in of systems	Completion (Yes) the policy is adopted by council	

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

**Table 46** Employees: Storm Water Services

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

### 3.4.2 Transport: Vehicle Licensing & Traffic Services

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

**Table 47** Transport: Vehicle Licensing & Traffic Services

	2011 /12			2012/13		
	Actual Budget	Original Budget	Adjustment	Actual Budget	Original Budget	Adjustment
Department of Transport 80%	R17, 728, 312. 45			R13' 076, 792.16		N/A
Municipality 20%	R13,050, 951.89			R3'218,739.84		N/A

### 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

Municipality runs one fully fledged public library as an agent of the Provincial sector department as well as a number of fifteen (15) satellite libraries where specific needs were identified by interest groups of high density, mostly at needy schools – this is an effort to assist with education of the young learners.

#### 3.4.3.2 Municipal Cemeteries

Municipality operates six (6) respective municipal cemeteries in terms of its Cemetery By-laws. It also assists with basic maintenance matters of village cemeteries in the 297 villages of its rural area, such as

fencing, basic water supply, maintenance of roads leading to cemeteries and other specific requests of merit.

### 3.4.3.3 Municipal crematoria

One crematorium for use by the Moslem religion is managed and control by Municipality

3.4.3.4 The Municipality also performs some **agency functions** at heritage sites such as Dzata Museum.

### 3.4.3.5 Community Halls

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

**Table 48** Employees: Child Care; Aged Care; Social Programmes

Employees: Child Care; Aged Care; Social Programmes					
Job Level	2011/12	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	0	2	100
4 - 6	0	0	0	0	0
7 - 9	4	5	4	1	20
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	7	4	3	42.8

**Table 49** Financial Performance 2012/13: Libraries; Community Facilities; Other

Financial Performance 2011/12: Libraries; Community Facilities; Other					
					R'000
Details	2012/13	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>		R2723063.55	R2723063.55	R2513915.57	R209147.98
Expenditure:					
Employees	1762				
Repairs and Maintenance	12				
Other	508				

<b>Total Operational Expenditure</b>	2282				
<b>Net Operational (Service) Expenditure</b>	<b>2282</b>				

**Table 50** Capital Expenditure 2012/13: Libraries; Community Facilities; Other

<b>Capital Expenditure 2012/13: Libraries; Community Facilities; Other</b>					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<b>Project A</b> Repair of Roofing Library	596,000	596,000	338,000	258,000	498,375
Project B					
Project C					
Project D					

This project was a roll-over from 2010/2011 financial year; hence the project does not appear on the IDP. The total is inclusive of the 2010/2011 financial year, total payment for fees for engineering services.

**Table 51** Financial Performance 2012/13: Cemeteries and Crematoriums

<b>Financial Performance 2012/13: Cemeteries and Crematoriums</b>					
Details	2011/12	2012/13		R0,00	
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	5	11	-8	5	6
Expenditure:					
Employees	112 653	95 357		95 357	
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>	112 653	95 357		95 357	
<b>Net Operational (Service) Expenditure</b>					

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

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

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

**Table 52** Child Care; Aged Care; Social Programmes

Child Care; Aged Care; Social Programmes objectives: To coordinate support , and provide youth, women, elderly, disabilities, children, aged, men and HIV/AIDS									
Service Indicators: Number of special programmes meeting coordinated and supported.									
Financial Year	2009/10		2010/11		2011/12		2012/13		
Service Targets	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Remedial Action
<b>Service Objectives:</b>									
<i>Women's Forum</i>	1	1	4	4	4	3	4	3	To be addressed in the new financial year
<i>Senior Citizen Forum</i>	1	2	4	4	4	3	4	3	To be addressed in the new financial year
<i>Youth Programme</i>	1	1	4	4	4	3	4	3	To be addressed in the new financial year
<i>Moral Re generation</i>	1		0	0	0	0	4	3	To be addressed in the new financial year

**Table 53** Employees: Child Care; Aged Care; Social Programmes, 2012/2013

Employees: Child Care; Aged Care; Social Programmes					
Job Level	2011/12	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	0	2	100
4 - 6	0	0	0	0	0
7 - 9	4	5	4	1	20
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	7	4	3	42.8

## COMPONENT E: MUNICIPAL INFRASTRUCTURE GRANT

### 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".

Some of the challenges in realizing a greater spending proportion on the MIG are:

- Delayed progress on site of some projects
- Delayed processes on appointment of service providers to commence on projects.

**Table 54** Municipal Infrastructure Grant Expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2012/13 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						
Roads, Pavements & Bridges	67 400 000	0	62781924.77			
Storm water	0	0				
<b>Total</b>						

**Table 55:** Breakdown For Actual Expenditure

Table 47	Municipality	BREAKDOWN FOR ACTUAL EXPENDITURE			Expenditure information	
		Ward No /Area / Village	Project Name (incl sub-place) Must be the same as in the MIG 1	Project start date	Total Project Cost	Total Actual Expenditure in the 2012-20113 financial year on MIG funds
Item						
1	Makhado	16	Waterval Rehabilitation phase II	24-Oct-12	R 16 000 000.00	R 10 133 428.01
2	Makhado	22	Eltivillas Ext.1 street surfacing phase 2	07-Dec-12	R 18 514 004.88	R 4 927 832.89
3	Makhado	21	Tshikota upgrading	23-Jan-13	R 28 843 010.91	R 7 495 903.56

			and rehabilitation of streets			
4	Makhado	22	Eltivillas Rehabilitation of streets (business area)	07-Feb-13	R 25 977 558.00	R 3 542 330.48
5	Makhado	33	mphaila access road and bridge	07-Dec-12	R 20 389 636.45	R 8 890 955.93
6	Makhado	3	Tshivhulana to tshilaphala ring road	06-Apr-13	R 28 843 010.91	R 2 785 036.88
7	Makhado	12	Sereni to Mashamba Post Office road	24-Oct-12	R 57 309 054.00	R 8 807 018.14
8	Makhado	32	Piesanghoek to Khunda Road Phase 1	06-Apr-13	R 16 000 000.00	R 8 128 135.97
9	Makhado	35	Dzanani Community Hall	07-Feb-13	R 12 748 520.00	R 6 186 049.36
10	Makhado	16	Waterval Community Hall	06-Apr-13	R 11 725 121.60	R 1 885 233.55
			PMU Management fee		R 100 000.00	R 0.00
						<b>R 62 781 924.77</b>

## **COMPONENT F: ORGANISATIONAL PERFORMANCE**

### **3.6. ORGANISATIONAL SDBIP PERFORMANCE**

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

- 3.6.1. Department Municipal Manager (Annexure A 1)
- 3.6.2. Department Budget and Treasury (Annexure A 2)
- 3.6.3. Department Community Services (Annexure A 3)
- 3.6.4. Department Corporate Support and Shared Services (Annexure A 4)
- 3.6.5. Department Development Planning (Annexure A 5)
- 3.6.6. Department Technical Services (Annexure A 6)

# COMPONENT G: PLANNING AND DEVELOPMENT

## 3.7. PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### 3.7.1. INTRODUCTION TO PLANNING AND DEVELOPMENT

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

**Table 56** Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Planning application received	1	1	16	29	0	0
Determination made in year of receipt	1	1	1	15	0	0
Determination made in following year			14	3	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end		1	1	11	0	0

**Table 57** Spatial planning Targets

Spatial planning: Objectives To ensure effective efficient spatial planning							
Service Indicators		2011/12				2012/13	
Service Targets		Target	Actual	Target	Actual	Target	Actual
<b>Service objectives:</b>							
<b>Determine planning application within a reasonable timescale</b>	Approval or rejection of all build environment applications within a x weeks	Determination within x weeks	Determination within x weeks	Determination within 12 weeks	Determination within 12 weeks		

	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned			
Formalization of sites		1	1	1	1	1	1	Service provider appointed and will be implemented during 2013/14 financial year
Development of EMP		0	0	0	0	0		The project will no longer be implemented due to financial constraints.
Land audit		1	1	1	1	1	1	None (Project completed)
Demarcation of sites		2	2	2	2	2	2	None
Building plan approved		250	280			337	350	None
PTO application assessed		60	65	60	65	60	631	None
EIA report		1	1	1	1	1	1	The service provider has been appointed and the project will start during 2013/14 financial year. The
Land sale policy		1	1	1	1	1		None (Completed)
RDP audit								

**Table 58** Employees: Planning Services

Employees: Planning Services					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1				
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18	0				
19 - 20	0				

Total	0	0	0	0
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### 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 municipality shall only provide the amount spent on various local LED – Agricultural Projects for the period 2012/2013 which amounted to R470 000. The projects were supported by the Municipality from own income.

**Table 59 Sector of the Economy in Makhado**

Sector	2010/11	2011/12	2012/13
	No.	No.	No.
Agriculture, forestry and fishing	5%	5%	5%
Mining and quarrying	1%	1%	1%
Manufacturing	5%	5%	5%
Wholesale and retail trade	19%	19%	19%
Finance, property, etc.	5%	5%	5%
Government, community and social services	27%	27%	27%
Infrastructure services	5%	5%	5%
Total			

### 3.7.3. 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. During 2013-2014 the Municipality will

compile a database of all SMME's/Informal traders and will involve them in the development and finalization of the Informal Traders Policy.

**Table 60** Jobs Created during 2012/13 by LED Initiatives (Excluding EPWP projects)

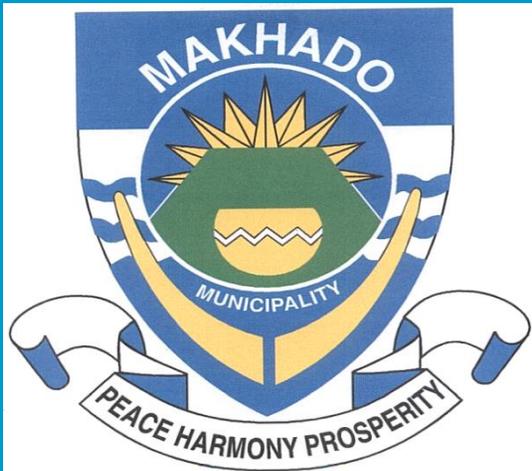
<b>Jobs Created during 2012/13 by LED Initiatives (Excluding EPWP projects)</b>				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Luhufhe (Sala O Nabe )Poultry Cooperative	8	4	8	All completed membership forms as members of the Cooperatives and Job Cards
Nombhela Cooperative	15	2	15	All completed membership forms as members of the Cooperatives and Job Cards
Emkhatini Piggery Cooperative	6	4	6	All completed membership forms as members of the Cooperatives and Job Cards
Mavhunga Bakery Cooperative	1	6	6	All completed membership forms as members of the Cooperatives and Job Cards
Mavhunga Stone Crushing Cooperative	8	0	8	All completed membership forms as members of the Cooperatives and Job Cards
Community Works Program supported by COGTA implemented in 8 wards in Makhado Municipality	1345	13	1345	Completed contracts
<b>Job creation through EPWP* projects</b>				
Year	EPWP Projects	Jobs created through EPWP projects		
	No.	No.		
2011/12				
2012/13				

**Table 61** Local Economic Development Policy Objectives Taken From IDP

Local Economic Development Policy Objectives Taken From IDP				
Service Objectives: Creation long term sustainable and integrated economic growth and rural development				
Service Indicators	Number of jobs created through LED			
Service Targets		2011/12	2012/13	Following Year
<b>Service Objective:</b>				
<i>e.g. Training of people in essential skills: x, y, z</i>	Number of people trained	x people trained	x people to be trained	
Projects assessed	6	415	900	Through a partnership with Nedbank, 300 SMME/Informal traders from Waterval Region were trained on Basic and Advanced Financial Management Skills. 900 more will be trained in the 3 remaining Regions of Dzanani, Vuwani and Kutama Sinthumule.
Projects supported		5		
Museums supported		1		
Accommodation establishment visited		17		
SMMEs cooperatives identified supported	300			

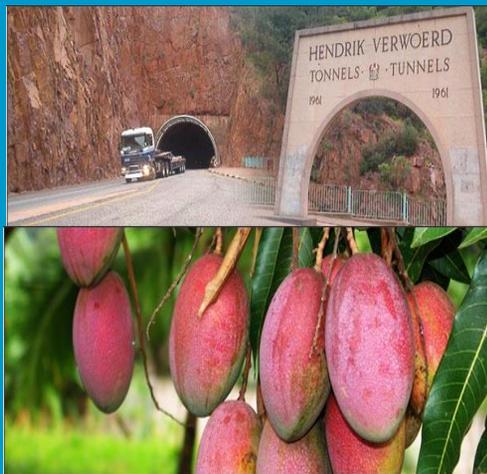
**Table 62** Employees: Local Economic Development Services

Employees: Local Economic Development Services				
Job Level	2012/13			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	0	1	
4 - 6	2	0		
7 - 9	2	0		
10 - 12	0	0		
13 - 15	0	0		
16 - 18	0	0		
19 - 20	0	0		
Total	5	5		

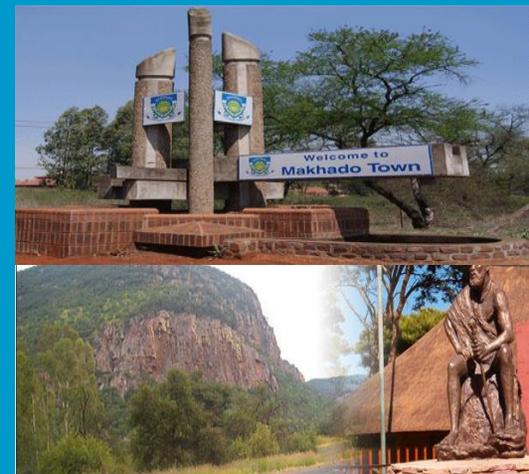


# CHAPTER 4

## THE MUNICIPAL PERSONNEL



## ANNUAL REPORT 2012/2013



# CHAPTER 4: MUNICIPAL PERSONNEL

## COMPONENT A: EMPLOYEES PER DEPARTMENT

### 4.1. EMPLOYEES PER DEPARTMENT

The Municipality comprises of eight hundred and twenty nine (829) employees at 30 June 2013.

**Table 63 Number of employees per departments**

Name of Department	Number of Employees
Office of the Mayor	12
Office of the Speaker	2
Department Municipal Manager	6
Department of Budget and Treasury	62
Department of Development Planning	37
Department of Community Services	69
Department of Technical Services	380
Department of Corporate and Shared Support Services	43
Dzanani Regional Office	51
Vuwani Regional Office	78
Waterval Regional Office	59
Vleifontein Satellite Office	9
Tshitale Satellite Office	21
<b>TOTAL NUMBER OF EXISTING STAFF</b>	<b>829</b>

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

There are two recognized workers' unions at Makhado Municipality, i.e. IMATU and SAMWU. The continuous engagement with organized labour is done at the level of the Local Labour Forum to ensure

that there is labour stability and consult employees on matters of common interest. The 2012/2013 financial year never experienced any industrial actions by labour. The Municipality is managed through an interdependent system of management structures. The administrative top management is comprised of one (1) section 54A and 5 (five) Section 56 managers while the broader administrative management is comprised of both the Section 54A and section 57 employees plus managers on post level 1 of the staff establishment and the assistant managers and regional administrators on post level 3 of the staff establishment.

**Table 64** Employees Comparison

<b>Employees</b>					
<b>Description</b>	<b>2011/12</b>	<b>2012/13</b>			
	<b>Employees</b>	<b>Approved Posts</b>	<b>Employees</b>	<b>Variance</b>	<b>Variance</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
Water	69	70	68	2	2.8
Waste Water (Sanitation)	97	276	97	179	64.8
Electricity	98	133	98	35	26
Waste Management	103	81	101	-20	7.8
Housing	4	11	4	7	63.6
Waste Water (Storm water Drainage)	8	170	8	162	95.1
Roads	72	50	72	22	44
Transport	2		2		
Planning	20	43	20	23	53.1
Local Economic Development	32		32		
Planning (Strategic &Regulatory)	n/a	n/a	n/a	n/a	n/a
Local Economic Development	4	8	4	4	50
Community & Social Services	89	119	89	30	25
Environmental Protection	162	183	162	21	11.1
Health	4	3	4	1	33
Security and Safety	n/a		n/a	n/a	n/a
Sport and Recreation	n/a		n/a	n/a	n/a
Corporate Policy Offices and Other	69	688	68	620	90.1
<b>Totals</b>	<b>833</b>	<b>1835</b>	<b>829</b>	<b>1086</b>	<b>59.1</b>

Table 65 Vacant posts

Vacancy Rate 2012/13			
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.	%
Municipal Manager	1	0	0
CFO	1	0	0
Other S56 Managers (excluding Finance Posts)	5	0	0
Other S56 Managers (Finance posts)	0	0	0
Municipal Police (Traffic Officers)	0	0	0
Fire fighters	0	0	0
Senior management: Levels 0-3 (excluding Finance Posts)	43	0	0
Senior management: Levels 13-15 (Finance posts)	0	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	144	0	0
Highly skilled supervision: levels 9-12 (Finance posts)	18	0	0

## COMPONENT B: EMPLOYEE TURNOVER

### 4.2. Employee turnover

A number of two hundred and eighty three (283) vacant posts which were budgeted for existed on the approved organizational structure by June 2013 financial year. In the year under review the municipality could not fill the vacancies as speedily as desired due to budgetary constraints.

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 apart from death of employees. The municipality also experience sporadic resignations due to employees who have found greener pastures elsewhere

**Table 66** 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.	
2011/12	838	39	0

## COMPONENT C: MUNICIPAL POLICIES

### 4.3. 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.

**Table 67 Policies**

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	N/A	N/A	N/A
2	Attraction and Retention	Draft	N/A	Considered by Policy task team. To be submitted to LLF on the 26th March 2014
3	Code of Conduct for employees	Yes	N/A	Delivered to all staff members
4	Delegations, Authorization & Responsibility	Yes	N/A	N/A
5	Disciplinary Code and Procedures	100%	N/A	Implemented
6	Essential Services	Draft	3 <sup>rd</sup> Quarter	Concluded
7	Employee Assistance / Wellness	Yes	Due for review	Still to be considered by policy review committee
8	Employment Equity	N/A	N/A	N/A
9	Exit Management	N/A	N/A	n/a
10	Grievance Procedures	Yes	Under review at SALGBC level	SALGBC Grievance Procedures and Code in place
11	HIV/Aids	Draft	Due for review	Still to be considered by policy review committee
12	Human Resource and Development	N/A	N/A	N/A
13	Information Technology	N/A	N/A	N/A
14	Job Evaluation	N/A	N/A	N/A
15	Leave	N/A	N/A	N/A
16	Occupational Health and Safety	N/A	N/A	N/A
17	Official Housing	N/A	N/A	N/A
18	Official Journeys	N/A	N/A	N/A
19	Funeral Policy	Draft	Under review at LLF	Submitted to EXCO, referred back to be reconsidered by Portfolio Committee
20	Official Working Hours and Overtime	50%	50%	In place

<b>HR Policies and Plans</b>				
	<b>Name of Policy</b>	<b>Completed</b>	<b>Reviewed</b>	<b>Date adopted by council or comment on failure to adopt</b>
		<b>%</b>	<b>%</b>	
21	Organizational Rights	100%	N/A	Implementable
22	Payroll Deductions	N/A	N/A	N/A
23	Performance Management and Development	100%	100%	4 August 2012
24	Recruitment, Selection and Appointments	50%	N/A	Waiting the input from the stakeholders
25	Remuneration Scales and Allowances	N/A	N/A	N/A
26	Resettlement	N/A	N/A	N/A
27	Sexual Harassment	N/A	N/A	N/A
28	Skills Development	N/A	N/A	N/A
29	Smoking	N/A	N/A	N/A
30	Special Skills	N/A	N/A	
31	Work Organization	N/A	N/A	
32	Uniforms and Protective Clothing	N/A	N/A	
33	Other:	50%	N/A	Waiting for the input from the stakeholders. Implementable

## COMPONENT D: INJURIES, SICKNESS AND SUSPENSIONS

### 4.4. Injuries, Sickness and Suspensions

#### 4.4.1. Injuries, Sickness

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

**Table 68** Injuries, Sickness and Suspensions

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

**Table 69** Number of days and Cost of Sick Leave (excluding injuries on duty)

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production						

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
(levels 6-8)						
Highly skilled supervision (levels 9-12)						
Senior management (Levels 13-15)						
MM and S57						
Lower skilled (Levels 1-2)	N/A	N/A	N/A	N/A	N/A	N/A
Skilled (Levels 3-5)	N/A	N/A	N/A	N/A	N/A	N/A
Highly skilled production (levels 6-8)	N/A	N/A	N/A	N/A	N/A	N/A
Highly skilled supervision (levels 9-12)	N/A	N/A	N/A	N/A	N/A	N/A
Senior management (Levels 13-15)	5	2%	N/A	18	N/A	N/A
MM and S57	None	None	2	5	2	2
Total						

#### 4.1.2. Suspension

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

**Table 70** 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	27March 2012	Matter taken through Disciplinary processes. Employee found guilty and dismissed. Employee appealed and chair of appeal upheld decision of disciplinary enquiry chair.	Employee filed at Labour Court

**Table 71** Disciplinary Action Taken on Cases of Financial Misconduct

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

# COMPONENT E: MANAGING MUNICIPAL WORKFORCE

## 4.5. MANAGING MUNICIPAL WORKFORCE

### 4.5.1. Organizational Development

As at 30 June 2013, the Makhado Municipality had a total workforce of eight hundred and twenty nine (829) employees 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 Vleyfontein and Tshitale under Waterval Region.

### 4.5.2. Organizational Structure

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

The following six departments were in existence during the year 2012/2013:

### 4.5.3. Human Resource and other Organizational Management

- Department Community Services
- Department Community Services consist of the following divisions -
- Protection Services (Traffic and Licensing)
- Disaster Management Services
- Special Programs and Culture Services
- Support service to the Office of the Mayor and Municipal Councilors
- Environmental Health Services (although this service is busy being transferred to the Vhembe District, the staff and function is still with MLM)
- Communication and Publicity Services
- Public Library Services

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

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

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

- Motor vehicle licensing
- Drivers' license testing and issuing
- Roadworthy testing centre
- Business licenses
- Public driving permits
- Certificate of fitness for vehicles
- Road transportation plan
- Bus and Taxi routes

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

- Office of the Mayor
- Office of the Speaker (including municipal councilor support activities)
- Disaster Management
- Gender desk
- Youth desk
- Aged desk
- Disability desk
- Arts and Culture including Libraries

#### **4.5.4 DEPARTMENT CORPORATE SUPPORT & SHARED SERVICES**

The Department Corporate Support & Shared Services consists of the following divisions:

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

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

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

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

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

##### **Section: Labour Relations**

- Labour Related Policies
- Local Labour Forum
- Dispute Resolution

##### **Section: Employee Assistance Programme**

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

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

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

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

### **Section: Auxiliary Services**

- Records and Archives
- Caretaker Services
- Cleaning Services

## **DIVISION LEGAL SERVICES**

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

## **DIVISION: INFORMATION & COMMUNICATION TECHNOLOGY**

### **Section: Computer Services**

- Information Technology – hardware, software and user assistance
- System Administration
- Network Administration
- User technical support

## **4.5.5 DEPARTMENT DEVELOPMENT PLANNING**

The department consists of the following divisions:

## **INTEGRATED DEVELOPMENT PLANNING AND ORGANIZATIONAL PERFORMANCE MANAGEMENT**

### **DIVISION**

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

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

#### **Section: Organizational Performance Management System**

- 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

## **LOCAL ECONOMIC DEVELOPMENT DIVISION**

- Investment attraction and business retention and expansion drive
- Conducting open market days

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

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

### **Section: Building Control**

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

### **Section: Survey**

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

### **Section: Geographical Information**

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

### **Section: Town Planning**

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

### Section: Housing

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

#### **4.5.6 DEPARTMENT OF BUDGET AND TREASURY**

##### **REVENUE DIVISION**

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

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

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

- Customer Care section
- Billing section

- Credit control section
- Debt collection section

## **BUDGET DIVISION**

The Budget Division is responsible for the following:

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

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

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

## **SUPPLY CHAIN MANAGEMENT DIVISION**

The Supply Chain Management Division is responsible for the following:

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

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

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

## **EXPENDITURE DIVISION**

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

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

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

- Salaries section
- Creditors section
- Direct Payments section

#### **ASSET MANAGEMENT DIVISION**

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

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

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

- Transport/ Fleet section
- Asset section

#### **4.5.7 DEPARTMENT TECHNICAL SERVICES**

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

- Coordination of water and Sanitation services on behalf of VDM

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

- Repair and Servicing of fleet

### **Electrical Engineering Division**

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

### **Roads and storm water**

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

### **Parks and recreation**

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

### **Waste Management**

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

### **Building**

- Maintenance of Municipal infrastructures

### **Project Management Unit**

- Management of project infrastructure

## **4.5.8 OFFICE OF THE MUNICIPAL MANAGER**

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

## **4.5.9 REPORTING LEVELS**

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

The Makhado Municipality appointed Mr EL Mugari to act in the position of Municipal Manager in terms of the provisions of section 54A of the Municipal Systems Act with effect of 1 April 2012 for a period until the appointment of a Municipal Manger. He served as municipal manager for six months including the first quarter of 2012/2013 financial year when Mr Mutshinyali IP was appointed as Municipal Manager and resumed his duties on 01<sup>st</sup> September 2012.

The Municipal Manager reports directly to the Mayor; in terms of the promulgation the municipality operates according to a collective executive committee system with a full-time mayor and all reporting by Municipal Manager is according to the practice of a collective executive committee system as arranged by the provisions of the Local Government: Municipal Systems Act, 2000 read with the provisions of the Local Government: Municipal Structures, 2000.

### **4.5.9.2. Section 56 Managers (Directors)**

The Makhado Municipality has 5 Directorates managed by 5 (five) Section 56 managers (Directors) as herein outlined:

**Table 72 Directors in 2012/2013**

<b>Name of Director</b>	<b>Department</b>	<b>Gender</b>
1. Mr Mugari E L until 31 March 2013. Mr Kanwendo acting for remainder of F/Y.	Community Services	Male
2. Mrs Sinthumule M D	Development Planning	Female
3. Mrs Ndou T S	Corporate and Shared Support Services	Female
4. Mr Ralulimi T E until 31 May 2013. Mr Ragimana acting for the remainder of the F/Y.	Technical Services	Male
5. Ms Makhubele MP was appointed with effect from 01 <sup>st</sup> October 2012	Budget and Treasury	Female

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

#### **4.5.9.3 Managers**

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

#### **4.5.9.4 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.

#### **4.5.9.5 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.

**Table 73: Trainings up to November 2012**

	PROGRAM/SUBJECT	NUMBER OF EMPLOYEES	DEPARTMENTS BENEFITTED	REMARK
1.	ELMDP	3	Office of the Mayor	Program duration is <b>8 Months</b> , it commence in March 2012
2	CPMD	1	Office of the Mayor	
3	CPMD additional	1	Office of the Mayor	Duration is <b>4 months</b> , commenced on <b>Sept 2012</b>
4	Code of Conduct & Ethics	75	Office of the Mayor	Duration is <b>1 Day</b> , it commenced on <b>20 Sept 2012</b>
5	Africa Holistic on Managing HIV / AIDS	1	Office of the Mayor	Duration is 4 Days, it commenced on <b>28 Aug - 1 Sept 2012</b>
6	Employment Equity	22	Office of the Mayor	Duration is <b>1 Day</b> , it commenced on <b>20 Sept 2012</b>
7	Institute of Municipal Finance Officers Conference	2	Office of the Mayor	Duration is <b>3 Days</b> , it commenced on <b>8 – 10 Oct 2012</b>
8	ELMDP	4	Office of the Municipal Manager	Duration is 8 months, it commenced on <b>19 – 21 Feb 2013</b>
9.	Executive Municipal Leadership & Finance Management	14	Office of the Mayor	Duration is 9 months commenced on <b>15 – 18 April 2013</b>
10.	Mainstreaming Gender in the Public Services	6	Office of the Mayor	Duration is <b>1 Day</b> , it commenced on <b>27 – 30 Nov 2012</b>

**Table 74: Training in Up to December 2013**

	PROGRAM/SUBJECT	NUMBER OF EMPLOYEES	DEPARTMENTS BENEFITTED	REMARK
1.	Municipal Finance Management Program (SAICA)	6	<b>Finance</b>	Program duration is <b>14 months</b> ; it commenced in <b>7 – 8 May 2013</b>
2.	Local Government Accounting Certificate Level 3 (LGAC)	3	Finance	Program duration is <b>18 months</b> ; it commenced on <b>8 December 201</b>
3.	Local Government Advance Accounting Certificate Level 4 (LGAAC)	3	Finance	Program duration is <b>18 months</b> ; it commenced in <b>2 Dec 2013</b>
4.	Executive Leadership Municipal Development Programme (ELMDP)	5	Office of the Mayor	Program duration is <b>7months</b> commenced on <b>19-20 Feb 2013</b>

	PROGRAM/SUBJECT	NUMBER OF EMPLOYEES	DEPARTMENTS BENEFITTED	REMARK
5.	Municipal Finance Management Programme (MFMP)	12	Finance	Program duration is <b>11 months</b> commenced in <b>25 February 2013</b>
6.	Conciliation and Arbitration	3	Corporate Services	Duration is <b>3 Days months</b> commenced on <b>13 – 15 March 2013</b>
7.	Geographical Information Systems – Getting started	3	Development Planning	Duration is <b>4 Days</b> commenced on <b>25- 28 March 2013</b>
8.	Electronic-natis Licensing	1	Community Services	Duration is <b>10 Days</b> commenced on <b>18 Feb- 1March 2013</b>
9.	Municipal Finance Management Programme (MFMP) (IMFO)	13	Finance	Duration is <b>4 Days</b> commenced on <b>25 March 2013</b>
10.	Executive Municipal Leadership & Finance Management	14	Councillors	Duration is 9 months commenced on 15 – 18 April 2013
11	Electrical Construction Board Workshop: Amendment 8 SANS10142-1	2	Technical Services Electricity Division	Duration is <b>1 Day</b> commenced on <b>25 April 2013</b>
12.	Papyrus Library system	7	Community Services Corporate Service	Duration is <b>5 Days</b> commenced on <b>18 March 2013</b>
13.	Electrical Apprenticeship artisan	6	Technical Services Electricity Division	Duration is <b>8 Months</b> commenced on <b>2-30 April 2013</b>
14.	Electrical Distribution form	1	Technical Services Electricity Division	Duration is <b>1 Day</b> commenced on <b>25 April 2013</b>
15.	Adult Education & Training (AET) Level 1 Level 2 Level 3	11 11 22	Technical Services Community Services	Duration is <b>10 Months</b> commenced on <b>4 February 2013</b>
16.	HACCP ISO22000 Compliance	1	Community Services	Duration is <b>2 Days</b> commenced on <b>28-29 May 2013</b>
17.	Certificate Programme in Management	3	-Finance	Duration is <b>4 Months</b> commenced

	PROGRAM/SUBJECT	NUMBER OF EMPLOYEES	DEPARTMENTS BENEFITTED	REMARK
	Development for Municipal Finance Additional (CPMD)		-Office of the Municipal Manager	on <b>6 – 8 May 2013</b>
18.	Case ware	1	Finance	Duration is <b>1 Day</b> commenced on <b>8 May 2013</b>
19.	Access to Information	20	-Finance -Development Planning -Community -Corporate Technical -All Regional Offices	Duration is <b>1 Day</b> commenced on <b>24 May 2013</b>
20.	In-services Training	1	Vuwani Region	Duration 18 Months commenced on July 2013 – 31 Dec 2014
21.	Operating Regulations High Voltage System	4	Technical Services Electricity Division	Duration is 5 Days commenced on <b>12 – 16 August 2013</b>
22.	Train the trainer	1	Corporate Services	Duration is <b>3 Days</b> commenced on <b>6- 8 August 2013</b>
23.	In- Services Training	1	Corporate Services	Duration 18 Months commenced on August 2013 – 31 Jan 2015
24.	In- Services Training	4	Technical Services	Duration 18 Months commenced August 2013 - Jan 2015
25.	Information Communication Technology Governance (ICT)	3	Corporate Services ICT Section	Duration is <b>4 Days</b> commenced on <b>12 – 15 Sept 2013</b>
26.	Coaching and assessors	11	Development Planning Technical Services Community Services	Duration is <b>6 Months</b> commenced on <b>16 -20 Sept 2013</b>
27.	Cable Fault Location	2	Technical Services	Duration is <b>4 Days</b> commenced on <b>2 – 5 Sept 2013</b>
28	In –Services Training	1	Technical Services	Duration is 12 months

	PROGRAM/SUBJECT	NUMBER OF EMPLOYEES	DEPARTMENTS BENEFITTED	REMARK
29	In –Services Training	1	Community Services	Duration is 18 Months commenced on Sept 2013 – 6 March 2015
30.	TLB operate a backhoe / Loader	2	Technical Services	Duration is <b>5 Days</b> commenced on <b>14 – 18 Oct 2013</b>
31.	Inspectorate Technical workshop	1	Development Planning	Duration is <b>2 Days</b> commenced on <b>30-31 Oct 2013</b>
32.	In –Services Training	1	Technical Services	Duration 24 Months commenced on Oct 2013 – 24 Oct 2015
33.	In –Services Training	1	Community Services	Duration is 6 Months commenced on Oct 2013 – 31 March 2014
34.	In –Services Training	1	Vuwani Region	Duration 18 Months commenced on Oct 2013 – 31 March 2015
35.	ORHVS Practical Assessment Procedure	3	Technical Services	Duration is 5 Days commenced on 4 – 8 November 2013
36.	Employment Equity Training	2	Corporate Services	Duration is 1 Day commenced on 21 November 2013
37.	In –Services Training	1	Community Services	Duration is 12 Months commenced on Nov 2013 – 26 Nov 2014
38.	In –Services Training	1	Corporate Services	Duration is 12 Months commenced on Dec 2013 - 28 Nov 2014
39.	In –Services Training	1	Technical Services	Duration is 18 Months commenced on Dec 2013 – 29 May 2015

# COMPONENT F: CAPACITATING MUNICIPAL WORKFORCE

## 4.6. CAPACITATING THE MUNICIPAL WORKFORCE

### 4.6.1. INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

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

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

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

The training plans are relatively adequate. Employees across all levels have been through the various capacity building programs. In the year under review, due to insufficient budget, the municipality have had to augment the training budget during the council adjustment budget process. The adjusted budget was fully exhausted by the end of the financial year. This talks to the fact that capacity development agenda is well on course.

*The 2012/2013 WPSP and the training reports which were submitted to the LGSETA can reflect more details on the above description.*

*The total training costs for employees during 2012/2013 was R1, 860 766. The total training costs for Councillors was R150 602*

During the year 2012/2013, the salary bill of the Municipality was R189 082 780. The workforce expenditure per category is as follows:

**Table 75** Total Salaries paid for 2012/2013

Category	Budget	Expenditure	Variance
Employees	R201514000.00	196668008.00	R 4 845 992.00
Councillors	18470236.00	18470236.00	R0

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

**Table 76** Human Resource Services Policy Objectives Taken From IDP

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

**Table 77** Employees: Human Resource Services

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES Employees: Human Resource Services				
Job Level	2012/13			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	4	0	0
4 - 6	6	2	4	66.6
7 - 9	8	6	2	25
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
<b>Total</b>	<b>18</b>	<b>12</b>	<b>6</b>	<b>33</b>

# COMPONENT G: INFORMATION AND COMMUNICATION TECHNOLOGY

## 4.7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

#### INFORMATION & COMMUNICATION TECHNOLOGY DIVISION

This section is responsible for the availability of computer resources such as hardware, software and user assistance. This section manages the communication hardware and software. This section exists to craft the development of ICT infrastructure 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.

**Table 78** ICT Services Policy Objectives Taken From IDP

ICT Services Policy Objectives Taken From IDP				
Service Objectives	Outline Targets	Service	2011/12	2012/13
Service Indicators			Target	
			2011/12	2012/13
				*Following Year
<b>Service Objective</b>				
Network and server upgrade		Network Development		EXCO NETWORK(Power & Data Cabling) Network Upgrade
DRP		DR Implementation		
ICT Equipment		ICT Equipment		ICT Equipment
Network and server upgrade		Network Development		EXCO NETWORK(Power & Data Cabling) Network Upgrade

**Table 79** Employees: ICT Services

<b>Employees: ICT Services</b>				
<b>Job Level</b>	<b>2012/13</b>			
	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	01	01	0	0
4 - 6	01	01	0	0
7 - 9	4	4	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	6	6	0	0

**4.7.2 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:**

The two major projects planned for were Network Infrastructure and Server room upgrade and Disaster Recovery Implementation with budget of R1, 25m and R300, 000 respectively. It is however to be noted that the DR implementation could not be entirely implemented due to the overall cost and only a part of the implementation was done. There have been a number of new network infrastructure developed and maintenance that took place.

# COMPONENT H: PROPERTY, LEGAL, RISK AND PROCUREMENT MANAGEMENT

## 4.8 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

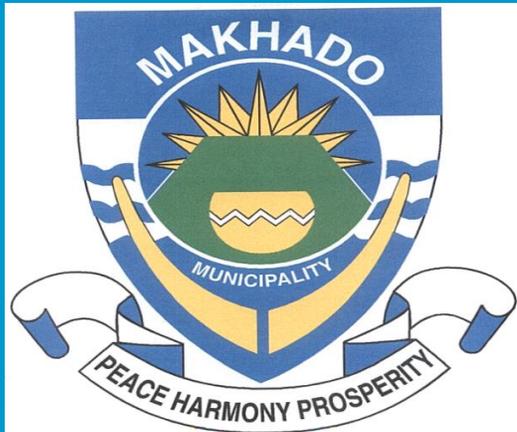
The Municipality was able to cancel part of the Fleet Management Contract which was irregularly awarded to a Service Provider and also awarded without evaluating its costs effectiveness. The cancellation of the contract will save the Municipality estimated costs of R70mil over seven years.

The Municipality embarked on a By-Law review project whereby two finance related by-laws (See Sub-Paragraph 2.2.5) were published in the Provincial Government Gazette as required by the Local Government: Municipal Systems Act and the Municipal Finance Management Act.

Furthermore the Municipality had a zero tolerance on cases that involves an element of dishonesty (See Paragraph 5.6)

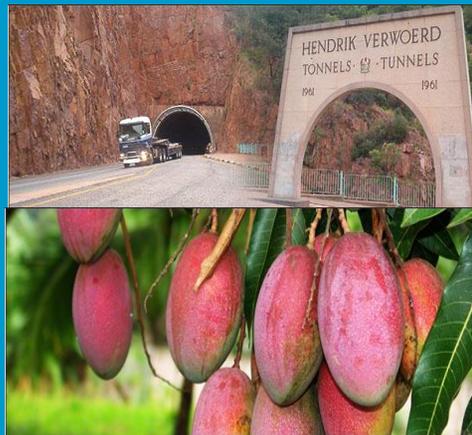
**Table 80** Employees: Property; Legal; Risk Management; and Procurement Services

Employees: Property; Legal; Risk Management; and Procurement Services				
Job Level	2012/13			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	5	3	2	40
4 - 6	14	3	11	78
7 - 9	35	10	25	71
10 - 12	0	0	0	0
13 - 15	3	3	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	57	19	38	66.6

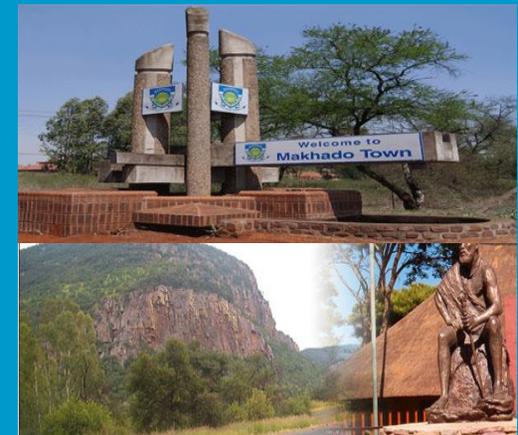


# CHAPTER 5

## STATEMENTS OF FINANCIAL PERFORMANCE



## ANNUAL REPORT 2012/2013



# CHAPTER 5: STATEMENT OF FINANCIAL PERFORMANCE

## COMPONENT A: FINANCIAL PERFORMANCE

### 5. FINANCIAL PERFORMANCE

#### 5.1. INTRODUCTION

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

- Remuneration of Councilors and Top Management
- 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 81: Financial Summary

Financial Summary						
R' 000						
Description	2011/12	Current Year 2012/2013			2012/13 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	26 433	24 819	26 255	28 090	12%	7%
Service charges	222 630	238 068	244 220	216 006	-10%	-13%
Investment revenue	1 035	3 609	17 181	1 339	-170%	-1183%
Transfers recognised - operational	221 199	274 487	265 234	248 744	-10%	-7%
Other own revenue	44 138	156 748	29 380	41 131	-281%	29%
<b>Total Revenue (excluding Capital transfers &amp; contributions)</b>	515 435	697 731	582 270	535 310	-30%	-9%
Employee costs	171 974	193 283	182 570	196 668	2%	7%
Remuneration of councillors	16 799	17 225	16 042	18 470	7%	13%
Depreciation & asset impairment	123 163	62 000	62 000	112 193	45%	45%
Finance charges	4 811	2 618	629	5 240	50%	88%
Materials and bulk purchases	141 762	116 342	131 971	156 721	26%	16%
Transfers and grants	0	0				
Other expenditure	224 891	387 990	266 920	141 251	-175%	-89%
<b>Total Expenditure</b>	683 400	779 458	660 132	630 543	-24%	-5%
<b>Surplus/(Deficit)</b>	-167 965	-81 727	-77 862	-95 233	14%	18%
Transfers recognised - capital	33 621	77 929	138 899	62 781	-24%	-121%

Contributions recognised - capital & contributed assets	0	0	0	0		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-134 344	-3 798	61 037	-32 452	88%	288%
Share of surplus/ (deficit) of associate	0					
<b>Surplus/(Deficit) for the year</b>	-134 344	-3 798	61 037	-32 452	88%	288%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	55 494	59 185	83 658	39 643	-49%	-111%
Public contributions and donations	0	0	0	0		
Borrowing	2 551	100 000	16 359	401	-24838%	-3980%
Internally generated funds	33 583	57 772	38 882	31 361	-84%	-24%
<b>Total sources of capital funds</b>	91 628	216 957	138 899	71 405	-204%	-95%
<b>Financial position</b>						
Total current assets	94 427	6 082	10 259	121 201	95%	92%
Total non current assets	1 605 240	158 737	191 309	1 772 420	91%	89%
Total current liabilities	203 317			236 589	100%	100%
Total non current liabilities	88 567			56 649	100%	100%
Community wealth/Equity	1 407 782	22 090	-60 459	1 600 382	99%	104%
<b>Cash flows</b>						
Net cash from (used) operating	73 252	117 757	61 038	28 283	-316%	-116%
Net cash from (used) investing	-103 281	-216 927	-138 899	34 759	724%	500%
Net cash from (used) financing	3 268			-66 951	100%	100%
<b>Cash/cash equivalents at year end</b>	-26 761	-99 170	-77 861	-3 909	-2437%	-1892%
<b>Cash backing/surplus reconciliation</b>						

Cash and investments available	-2 314			-6 222	100%	100%
Application of cash and investments						
<b>Balance - surplus (shortfall)</b>	-2 314	0	0	-6 222	100%	100%
<b>Asset management</b>						
Asset register summary (WDV)	0	0	0	0		
Depreciation and asset impairment	93 654	62 000	124 000	122 752	49%	-1%
Renewal of Existing Assets		0				
Repairs and Maintenance	25 463	33 497	33 358	19 849	-69%	-68%
<b>Free services</b>						
Cost of Free Basic Services provided		10 153	10 153			
Revenue cost of free services provided		0	0			
<b>No. of Households below minimum service level</b>						
Water		40 000	40 000			
Sanitation/sewerage		0	0			
Energy		0	0			
Refuse		132 000	132 000			
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1
The collection of services charged to consumers is as per municipal financial system (under actual 11/12 column)						
This is there actual billed rates and taxes for the year as well as actual services charges allocated to consumer accounts.						
Note these are actual consumptions per consumer not estimation						

## 5.2. Policies Arranging The Operations Of Above Subjects

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

- *Budget policy*
- *Indigent Subsidy*
- *Credit Control and Debt Collection*
- *Tariff and Free Basic Services*
- *Investment of Funds Policy*
- *Principles of writing-off of irrecoverable debt*
- *Asset Management*
- *Property Rates by-law*
- *Budget Virement*
- *Supply Chain Management*

**5.3. Remuneration of councilors and top management:**

	<b>2012/2013</b>
Remuneration of Municipal Manager	983 333.00
Remuneration of Chief Financial Officer	633 377.00
Remuneration of Director Technical Services	774 128.00
Remuneration of Corporate Services	829 830.00
Remuneration of Director Planning and Development	829 831.00
Remuneration of Director Community Services	647 822.00
	<hr/> <b>4 698 321.00</b> <hr/>
<b>Remuneration of Councillors</b>	
Mayor	678 925.00
Speaker	549 200.00

Councillors	17 242 111.00
	<b>18 470 236.00</b>

**(ii)Employee related costs**

Basic	119 783 468.00
Bonus	9 549 557.00
Medical aid -Company contributions	9 661 404.00
UIF	1 056 894.00
Other payroll levies	54 567.00
Leave pay provision charge	7 214 828.00
Post-employment benefits-Pension -Defined contribution plan	25 606 923.00
Travel, motor car, accommodation, subsistence and other allowances	8 149 910.00
Overtime payments	12 198 910.00
Long-service awards	1 648 596.00
Housing benefits and allowances	219 291.00
Standby allowance	1 038 891.00
Group life Insurance	484 769.00
	<b>196 668 008.00</b>

**5.4. 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.

- 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 Movable assets, Immovable asset 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 since the asset unit is just developed to the municipality asset was under supply chain management until 1<sup>st</sup> of July 2012 were the asset manager and the other three staff were employed.

Key issues under development: The municipality hired the service provider to compile 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 82:** Treatment Of The Three Largest Assets Acquired 2012/13

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/13		
Asset 1		
Name	Rehabilitation of Street	
Description	Rehabilitation of Street	
Asset Type	Roads and Storm Water	
Key Staff Involved	PMU Manager and Director Technical Services	
Staff Responsibilities	Management of Project and Service Provider Monitoring	
	2011/2012	2012/2013
	8 132 288.38	1 027 997.88
Capital Implications	Infrastructure Development (Roads and Storm Water)	
Future Purpose of Asset	Provision of access to Community and Control of Storm Water	
Describe Key Issues	Construction of Culyerts bridges and Canal, Access Roads	
Policies in Place to Manage Asset	Yes	
Asset 2		
Name	Tshikwarani/muduluni	

Description	Elecricification of Village	
Asset Type	Electricity	
Key Staff Involved	Director Technical Services, Engineering Technician, Manager and Assistant Manager	
Staff Responsibilities	Project management and Co-ordinating	
Asset Value	2011/2012	2012/2013
	3 151 387.50	7 273 914.80
Capital Implications	Income	
Future Purpose of Asset	Hand over to Eskom	
Describe Key Issues	House holds Electrification	
Policies in Place to Manage Asset	N/A	
<b>Asset 3</b>		
Name	Tshakhuma ring roads	
Description	Tshakhuma ring roads	
Asset Type	Roads	
Key Staff Involved	Director Technical Services and PMU Manager	
Staff Responsibilities	Project Management, Supervision and Monitoring of Service Provider	
Asset Value	2011/2012	2012/2013
	5, 141 376.61	6 636 666.05
Capital Implications	Infrastructure Development (Roads and Storm Water)	
Future Purpose of Asset	To be used by Community to access different areas and public transport	
Describe Key Issues	Construction of 4,3 km Roads, Relocation of Services, Contrete kerbing and side drainages and Wall Embarkments for soil retaining	
Policies in Place to Manage Asset	Yes	

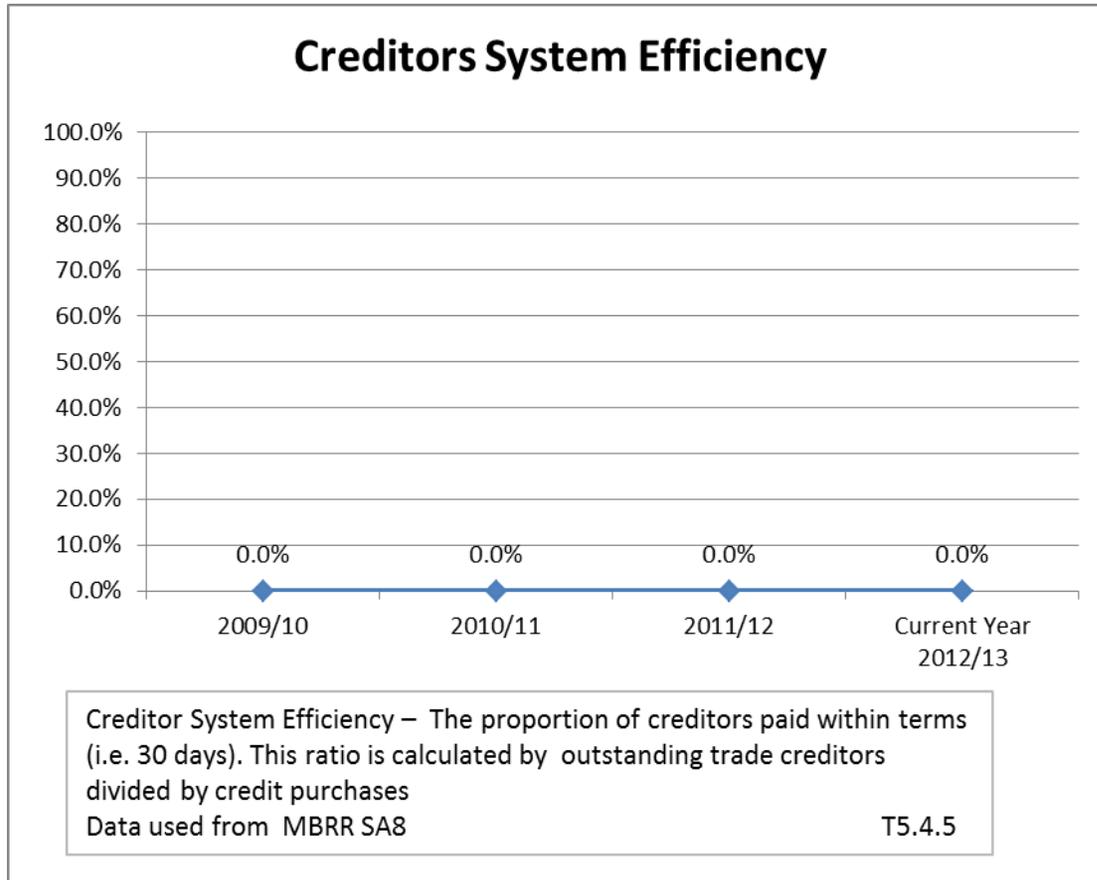
**Table 83:** Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks								
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Audit outcome
<b>Borrowing Management</b>								
Credit Rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.4%	1.3%	2.7%	0.1%	0.1%	0.2%	1.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	3.1%	6.3%	0.2%	0.3%	0.3%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	-71.2%	-0.3%	0.0%	0.0%	0.0%	13.9%
<b>Safety of Capital</b>								
Gearing	Long Term Borrowing/ Funds & Reserves	3.4%	11.0%	3.5%	3.3%	3.1%	0.0%	0.0%
<b>Liquidity</b>								
Current Ratio	Current assets/current liabilities	1.7	0.5	0.5	0.6	0.7	-	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	0.5	0.5	0.6	0.7	-	-
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	0.0	0.0	0.1	0.1	-	-
<b>Revenue Management</b>								
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		95.3%	130.7%	72.6%	94.8%	93.6%	61.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			95.3%	130.7%	72.6%	94.8%	93.6%	61.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	62.4%	16.4%	22.8%	21.6%	23.1%	0.0%	0.0%

Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old							
<b>Creditors Management</b>								
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))							
Creditors to Cash and Investments		157.7%	69.1%	152.0%	-281.9%	-122.8%	0.0%	0.0%
<b>Other Indicators</b>								
Electricity Distribution Losses (2)	Total Volume Losses (kW)							
	Total Cost of Losses (Rand '000)							
Water Distribution Losses (2)	Total Volume Losses (kℓ)							
	Total Cost of Losses (Rand '000)							
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.5%	39.9%	33.1%	31.1%	37.6%	34.7%	39.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.7%	43.6%	36.3%	34.1%	41.1%	37.9%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.7%	23.1%	35.6%	10.7%	24.6%	0.1%	0.2%
<b>IDP regulation financial viability indicators</b>								
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.2	8.2	17.4	17.3	17.3	17.3	8.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	123.1%	35.1%	48.7%	42.3%	48.7%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.6	4.7	3.2	(1.7)	(3.2)	6.4	(0.2)

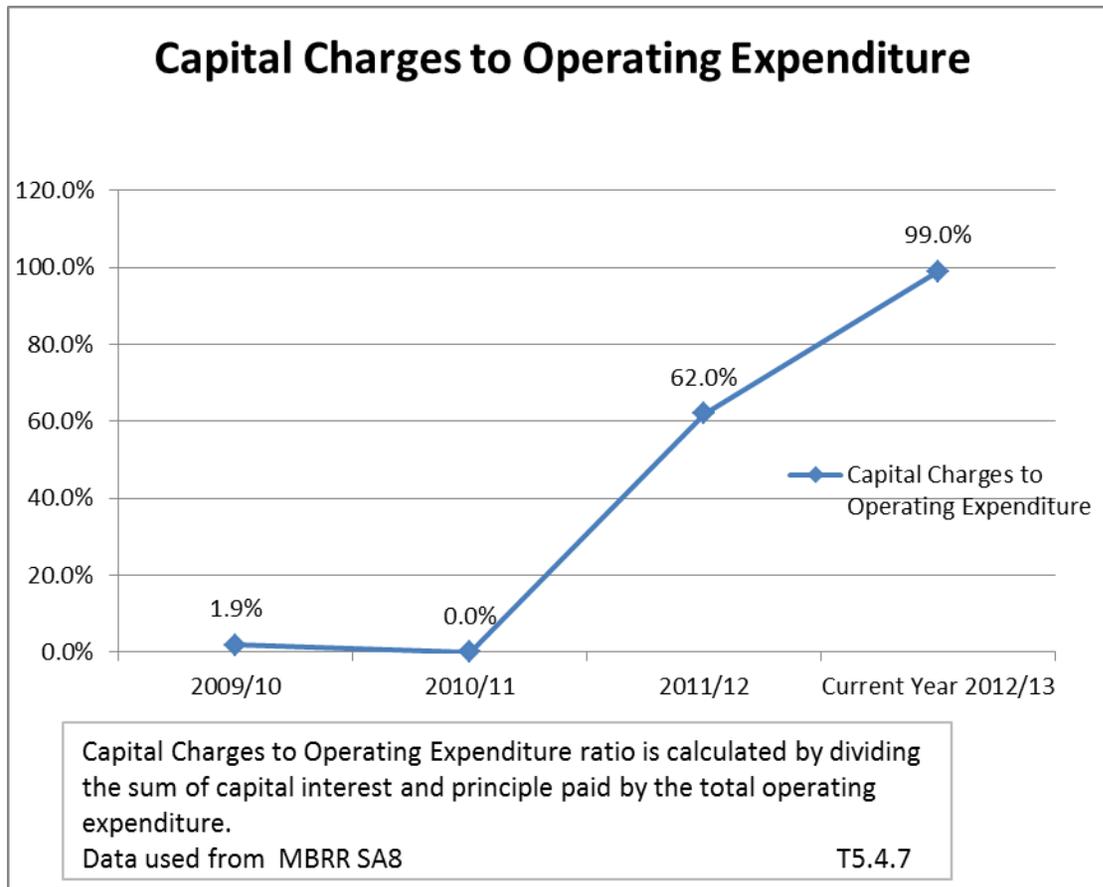
<u>References</u>								
1. Consumer debtors > 12 months old are excluded from current assets								
2. Only include if services provided by the municipality								
<u>Calculation data</u>								
Debtors > 90 days								
Monthly fixed operational expenditure		26 522	37 675	36 571	38 635	43 462	30 634	22 755
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		(57 863)	(58 946)	(111 481)	36 873	28 487	45 948	34 630
Borrowing		-	41 945	351	-	-	-	4 812

**Table 84: Creditors System Efficiency**

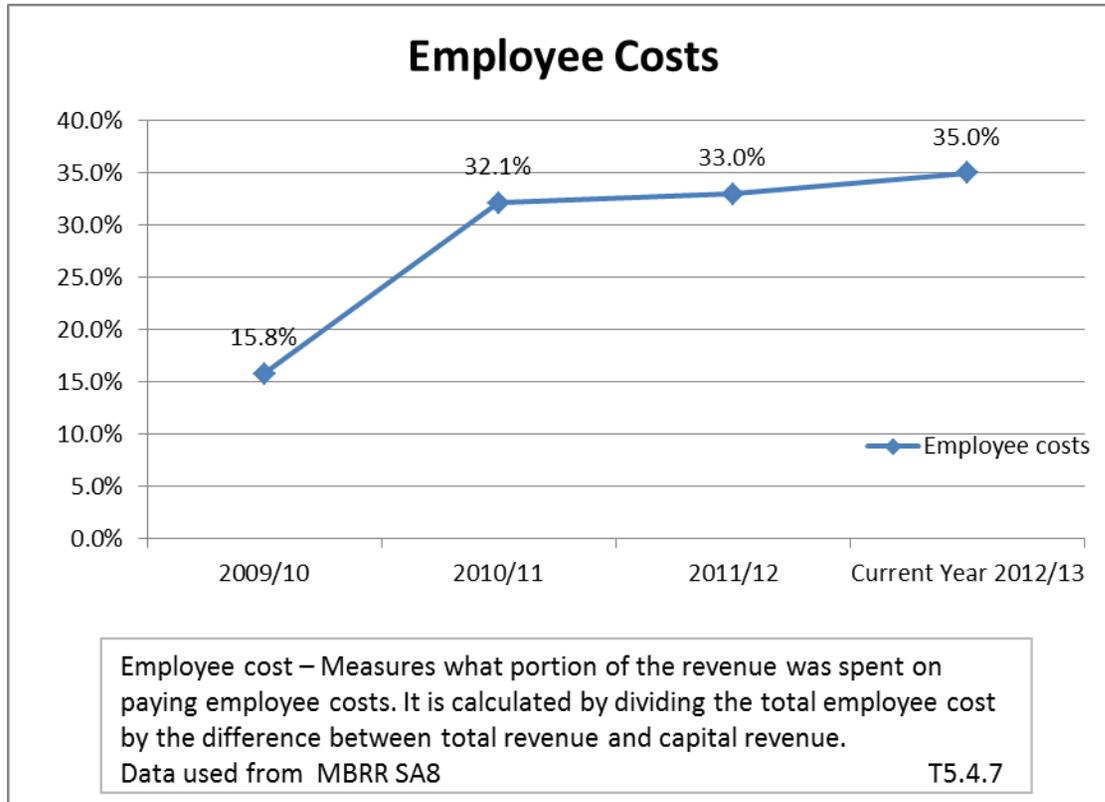


Ratio	Basis of calculation	09/10	10/11	11/12	current year unaudited
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	0.0%	0.0%	0.0%	0.0%

Table 85: Capital charges to Operating Expenditure



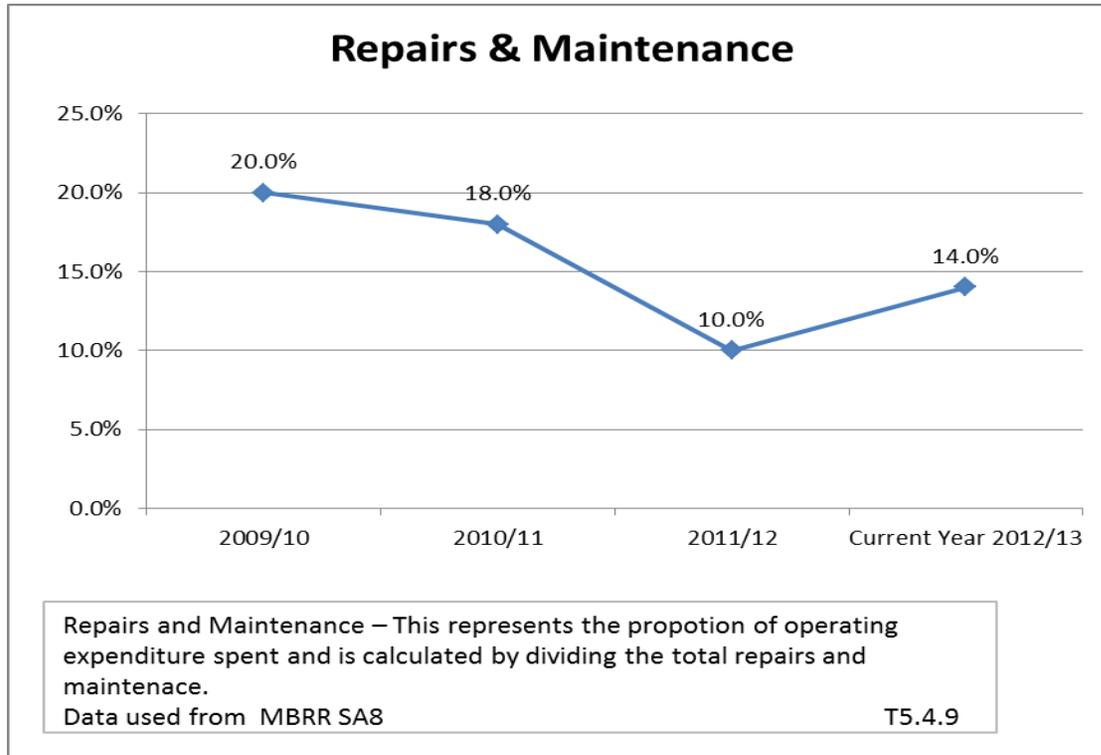
**Table 86: Employee Costs**



Ratio	Basis of calculation	09/10	10/11	11/12	current year unaudited
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.9%	0.0%	62.0%	99.0%

Ratio	Basis of calculation	09/10	10/11	11/12	current year unaudited
Employee costs	Employee costs/(Total Revenue - capital revenue)	15.8%	32.1%	33.0%	35.0%

**Table 87: Repairs and Maintenance**



Comment on financial ratios:

***Repairs and mainatance expenditure has improved marginally by 4%***

<b>Ratio</b>	Basis of calculation	09/10	10/11	11/12	current year unaudited
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	20.0%	18.0%	10.0%	14.0%

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.5. Spending On 5 Largest Projects

**Table 88:** Capital Expenditure of 5 largest projects\*

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Year 2012/13			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Rehabilitation of street ,Elitivillas business area	2 008 000	9 751 522	5 232 923	62%	-86%
B - Rehabilitation of streets	-	1 850 801	1 835 702	100%	-1%
C - Tshakhuma ring road	-	1 256 478	1 105 503	100%	-14%
D - Elitivillas Extention 1 tarring	6 000 000	-	4 019 522	-49%	100%
E - Waterval Streets rehabilitation	6 000 000	8 900 974	8 274 460	27%	-8%
* Projects with the highest capital expenditure in 2012/13					
Name of Project - A	Rehabilitation of streets ,Elitivillas business area				
Objective of Project	To ensure access to business facilities is efficient and thus promoting business growth rapidly				
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				

Name of Project - B	Rehabilitation of street within Makhado municipality				
Objective of Project	To ensure access to promoting business growth rapidly around municipality's nodal points				
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				
Name of Project - C	Tshakhuma ring road				
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				
Name of Project - D	Elitivillas extension 1 tarring				
Objective of Project	To ensure access to promoting business growth rapidly around municipality's nodal points				
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				
Name of Project - E	Waterval streets rehabilitation				
Objective of Project	To ensure access to promoting business growth rapidly around the township and related villages				
Delays	procurement processes ,delays on site preparation for relevant progress				
Future Challenges	roads infrastructure costs rapidly increasing				
Anticipated citizen benefits	Easy and comfortable access to and from areas within municipal areas				
					T5.7.1

**Table 89: Service backlog**

Service Backlogs as at 30 June 2013			
Households (HHs)			
		*Service level above minimum standard	*Service level below minimum standard
		No. HHs	% HHs
Water		VDM	VDM
Sanitation		VDM	VDM
Electricity		86060	
Waste management		10998	10998
Housing		16807	16807
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.			T5.8.2

## COMPONENT C: CASHFLOW

### 5.6. Borrowing And Investments

Table 90: Borrowing and Investments

Makhado municipality had 2 short term call accounts at 30 June 2013 .	
First National Bank Acc no.62308330779	Closing balance R 7 310 810.32
First National Bank Acc no. 62404650435	Closing balance R 502 744.04
Total	<b><u>7 813 554.36</u></b>
Makhado municipality has the following Borrowings	
1. INFRANSTRURE FINANCE CORPORATE LIMITED ( INCA LOAN) . the amount borrowed was R 12,656,600 @ 11.47 % from 05 NOV 2004 until 30 June 2014	
2. DEVELOPMENT BANK OF SOUTHERN AFRICA ( DBSA) the loan is from 01.04.2008 until 31.03.2018 and is being paid bi-annually.	
<b>Outstanding balances for Loans.</b>	
DBSA : LOAN 1 R 5,392,143.27 and Instalments is R 717 941 twice a year.	
DBSA : LOAN 2 R 1,734,406.36 and Instalments is R 202 107 twice a year.	
INCA : LOAN 1 R 2,020,667.51 and Instalments is R 1 098 307 twice a year.	
<b>Total : R 9,147,217.14</b>	

Challenges:

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

**Table 91:** Actual Borrowings 2010/11- 2012/13

Actual Borrowings 2010/11- 2012/13			
			R' 000
Instrument	2010/11	2011/12	2012/13
<b>Municipality</b>			
Long-Term Loans - outstanding balances INCA LOAN	1 615	1 807	1 807
Long-Term Loans - outstanding balances DBSA LOAN	1 139	1 215	1 098
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			
<b>Municipality Total</b>	2 754	3 022	2 905
			T5.10.2
<b>Outstanding balances</b>			
DBSA : LOAN 1 R 5,392,143.27			
DBSA : LOAN 2 R 1,734,406.36			
INCA : LOAN 1 R 2,020,667.51			
<b>Total : R 9,147,217.14</b>			

**Table 92:** Municipal and Entity Investments

<b>Municipal and Entity Investments</b>			
			R' 000
Investment* type	2010/11	2011/12	2012/13
	Actual	Actual	Actual
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	34	1	7 840
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	34	1	7 840
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			

Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>			0
<b>Consolidated total:</b>	34	1	7 840
			T5.10.4

## COMPONENT D: SUPPLY CHAIN MANAGEMENT

### 5.7. Supply Chain Management

The Supply chain management policy was approved by the council in 2006. The implementation was done by establishing supply chain management division under the direct supervision of the CFO. The structure for this division was established to cover all elements of supply chain. Two sections are fully functional, that is Acquisition and Logistic managements sections. The Bid specification and evaluation committees were established which comprises of members appointed by Municipal Manager on temporary basis depending on the tender under consideration. The Bid adjudication Committee was also established which is composed of senior managers. Councilors are not part of bid committees and they are not participating in supply chain processes. The municipality has ensured that six officials attend supply chain management module 1&2 training by PALAMA while two officials has completed Certificate in MFMA Programme (meeting minimum requirements).

During the financial year, the municipality incurred irregular expenditure as disclosed in the financial statements (refer to the audit report). The following 31 tenders were awarded as depicted in the table below:

**Table 93: Tenders awarded**

D NO	DESCROPTION	NAME OF SERVICE PROVIDER	AMOUNT	DATE
4/2012	SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR PERIOD OF ONE YEAR	SHUMANI PHATENI GEN. DEALER	AS PER ORDER	5/7/2012
4/2012	SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR PERIOD OF ONE YEAR	LIP-MADIBA TRADING	AS PER ORDER	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	YELLOW SOLUTION TECHNOLOGY	R196 878,00	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	RAMUANE GENERAL TRADING	R48 702, 75	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	MUDZULA SUPPLY SERVICES	R110 160,00	5/7/2012
9/1072	SUPPLY AND DELIVERY OF UNIFORM	RAMUANE GENERAL TRADING	R45 623,25	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	RAMUANE GENERAL TRADING	R335 400,09	5/7/2012
9/2012	SUPPLY AND DELIVERY OF UNIFORM	DAVE RAMS CONSTRUCTION	R195 935,00	5/7/2012

13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (6 TOYOTA COROLLA SEDANS)	SANBONANI INDUSTRIAL CONSULT	R1 476 000,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (2 REFUSE REMOVAL VEHICLES)	CHIDINO GENERAL TRADING	R3 171 904,08	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (6 TOYOTA DOUBLE CABS)	NKOPETSI FLEET (PTY) LTD	R2 322 009,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (2 SINGLE CAB BAKKIES)	FC CORNERSTONE CONTRACTORS	R643 200,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES ( 1 TOYOTA 4.2L DIESEL BAKKIE)	SANBONANI INDUSTRIAL CONSULT	R483 000,00	5/7/2012
13/2012	SUPPLY AND DELIVERY OF NEW VEHICLES (1 TIPPER TRUCK)	CHIDINO GENERAL TRADING	R418 423,78	5/7/2012
23/2012	SUPPLY AND DELIVERY OF NEW YELLOW MACHINES (3 GRADERS)	POLOKWANE EQUIPMENT	R2 125 302,00	5/7/2012
23/2012	SUPPLY AND DELIVERY OF NEW YELLOW MACHINES (1 NEW TLB)	POLOKWANE EQUIPMENT	R627 000,00	5/7/2012
23/2012	SUPPLY AND DELIVERY OF NEW YELLOW MACHINES ( 1 NEW TRACTOR)	CHIDINO GENERAL TRADING	R410 400,00	5/7/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MUSPAT TRADING CC	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	ACTOM ELECTRICAL PRODUCTS	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	SHUMANI PHATENI GEN. DEALER	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	POLOKWANE POWER SUPPLIES	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MEDUPE DISTRIBUTORS	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MAMAMIYA TRADING ENTERPRISE CC	AS PER ORDER	28/08/2012
24/2012	SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR PERIOD OF THREE YEARS	MANGWAJANA LOGISTICS AND CONSTRUCTION	AS PER ORDER	28/08/2012
25/2012	SUPPLY AND DELIVERY OF PAINTING MATERIALS FOR PERIOD OF THREE YEARS	DAVE RAMS CONSTRUCTION	AS PER ORDER	28/08/2012
25/2012	SUPPLY AND DELIVERY OF PAINTING MATERIALS FOR PERIOD OF THREE YEARS	PERRIZIN HOMES	AS PER ORDER	28/08/2012
25/2012	SUPPLY AND DELIVERY OF PAINTING MATERIALS FOR PERIOD OF THREE YEARS	TOKOLLOHO GENERAL TRADING	AS PER ORDER	28/08/2012
26/2012	SUPPLY AND DELIVERY OF GENERAL HARDWARE MATERIALS FOR PERIOD OF THREE YEARS	LYDO TRADING ENTERPRISE	AS PER ORDER	28/08/2012
26/2012	SUPPLY AND DELIVERY OF GENERAL HARDWARE MATERIALS FOR PERIOD OF THREE YEARS	ONE ON TWO SUPPLIERS	AS PER ORDER	28/08/2012
26/2012	SUPPLY AND DELIVERY OF GENERAL HARDWARE MATERIALS FOR PERIOD OF	SHILAS BUSINESS ENTERPRISE	AS PER ORDER	28/08/2012

	THREE YEARS			
32/2012	COMPILATION AND PRINTING OF QUARTERLY NEWSLETTER FOR 12 MONTHS	MURN TRADING ENTERPRISE	R552 000,00	19/10/2012
17/2012	WATERVAL STREET REHABILITATION	DAVID DIVA CONSTRCUTION	R14 206 221,15	26/09/2012
18/2012	SERENI TO MASHAMBA POST OFFICE: ROAD CONSTRUCTION	MOSWOBİ BUILDING CONSTRUCTION	R12 883 545,01	26/09/2012
54/2011	TSHAKHUMA LANDSCAPING AND STREETLIGHTS	NAKISENI BUSINESS/DZUGU TRADING JV	R4 238 644,22	26/09/2012
29/2012	MPHAILA ACCESS ROAD AND BRIDGE: PHASE 1	MKHACANI CONSTRUCTION	R12 915 901, 13	3/12/2012
30/2012	REHABILITATION OF TSHIKOTA STREETS: PHASE 11	IMMORIAL BUILDING CONSTRUCTION	R8 793 486, 90	3/12/2012
31/2012	ELTIVILLAS EXTENSION 1 STREET SURFACING: PHASE 11	MPOSON BUILDING CONSTRUCTION	R11 335 482, 39	3/12/2012
35/2012	PSYCHOLOGIST SERVICES FOR PERIOD OF 3 YEARS: MAKHADO MUNICIPAL EMPLOYEES	MATSWAISA TRADING ENTERPRISE	RATES	3/12/2012
36/2012	SUPPLY AND DELIVERY OF DIARIES AND CALENDERS FOR 2013	NMSR TRADING	R234 240,00	16/11/2012
29/2012	MPHAILA ACCESS ROAD AND BRIDGE: PHASE 1	MKHACANI CONSTRUCTION	R12 915 901. 13	03/12/2013
39/2012	REHABILITATION OF ELTI-VILLAS BUSINESS AREA STREETS: PHASE 1	SPLISH SPLASH CONSTRUCTION	R14 202 187.64	23/01/2013
38/2012	CONSTRUCTION OF DZANANI COMMUNITY HALL	FGN CONSTRUCTION PLANT & PLANT HIRE	R12 824 657.28	23/01/2013
21/2012	DESIGN, UPGRADE AND REFURBISHMENT OF BUNGENI SPORTSFIELD	T3 CONSULTING ENGINEERS CC	ECSA GUIDELINES	23/01/2013
22/2012	DESIGN, UPGRADE AND REFURBISHMENT OF VUWANI SPORTSFIELD	THIKO CONSULTING ENGINEERS	ECSA GUIDELINES	23/01/2013
49/2012	CONSTRUCTION OF PIESANGHOEK TO KHUNDA ROAD FROM GRAVEL TO SURFACING	CAPSTAIN TRADING 215/RAM 77 AT-R CONSTRUCTION JV	R18 994 151.15	20/02/2013
50/2012	CONSTRUCTION OF TSHIVHULANA TO TSHILAPHALA RING ROAD	PGN CIVILS/MBHAHLENI JV	R17 832 447.31	20/02/2013
40/2012	HEALTH AND HYGIENE AT VARIOUS ABLUTIONS: MUNICIPAL BUILDINGS	NDAMU GENERAL SUPPLIER	R780 000.00	12/03/2013

42/2012	DEMARCATION OF 100 SITES AT TIYANI RIBUNGWANA VILLAGE	LANDMARK CONSULTING TRADING	R185 000.00	13/03/2013
43/2012	DEMARCATION OF 300 SITES AT MUANANZHELE COMMUNAL PROPERTY ASSOCIATION	VUTSILA CONSULTING	R519 000.00	13/03/2013
45/2012	DEMARCATION OF 200 SITES AT HA-MASIA TSHIKWARANI VILLAGE	LANDMARK CONSULTING TRADING	R370 000.00	13/03/2013
46/2012	FORMALIZATION OF 700 SITES AT MATSHAVHAWE VILLAGE	PIETERSE DU TOIT AND ASSOCIATES	R1 131 567.91	13/03/2013
41/2012	VALUE-ADDED TAX (VAT) RECOVERY FOR 2012/2013 FINANCIAL YEAR	SEMO AND ASSOCIATES	RATES	13/03/2012
48/2012	SUPPLY, DELIVERY, REPLACEMENT OF EXISTING AND INSTALLATION OF NEW HEAVY DUTY SECURED PALISADE FENCE FOR MAKHADO ELECTRICITY SUBSTATION	QUINTAX 212	R394 987.00	13/03/2013
37/2012	CONSTRUCTION OF WATERVAL COMMUNITY HALL	SEAKIRI WORKS	R8880 151.58	14/5/2013

## 5.8. 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 :

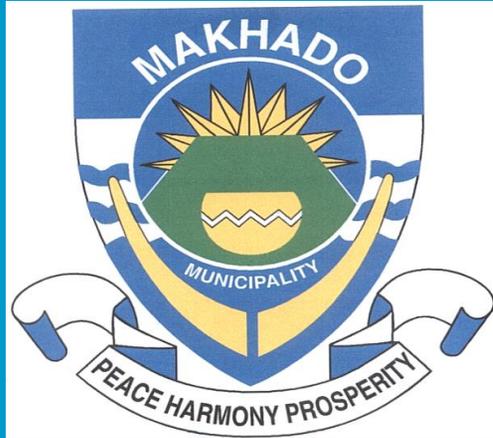
- To ensure consistency in the accounting treatment of transactions and classification of account balances in municipalities
- To enhance comparability between similar-sized municipal bodies on a national basis
- To enable users of financial statements to make more accurate assessments of risks and returns.

The municipality is constantly reviewing and embarking on processes to ensure compliance with GRAP standards :

- GRAP 1 Presentation of Financial Statements2

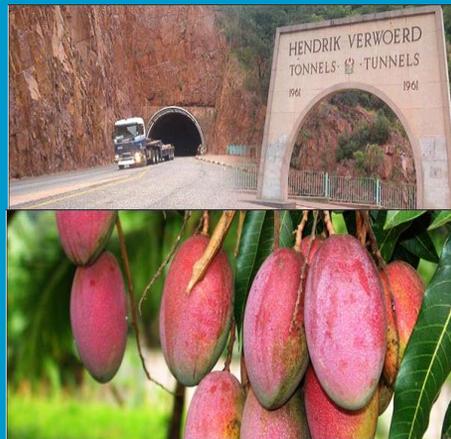
- GRAP 2 Cash Flow Statements<sup>2</sup>
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors<sup>2</sup>
- GRAP 4 The Effects of Changes in Foreign Exchange Rates<sup>3</sup>
- GRAP 5 Borrowing Costs<sup>3</sup>
- GRAP 6 Consolidated and Separate Financial Statements<sup>3</sup>
- GRAP 7 Investments in Associates<sup>3</sup>
- GRAP 8 Interests in Joint Ventures<sup>3</sup>
- GRAP 9 Revenue from Exchange Transactions<sup>3</sup>
- GRAP 10 Financial Reporting in Hyperinflationary Economies<sup>3</sup>
- GRAP 11 Construction Contracts<sup>3</sup>
- GRAP 12 Inventories<sup>3</sup>
- GRAP 13 Leases<sup>3</sup>
- GRAP 14 Events After the Reporting Date<sup>3</sup>
- GRAP 16 Investment Property<sup>3</sup>
- GRAP 17 Property, Plant and Equipment<sup>3</sup>
- GRAP 19 Provisions, Contingent Liabilities and Contingent Assets<sup>3</sup>
- 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 26 Impairment of Cash-generating Assets
- GRAP 103 Heritage Assets
- GRAP 104 Financial Instruments

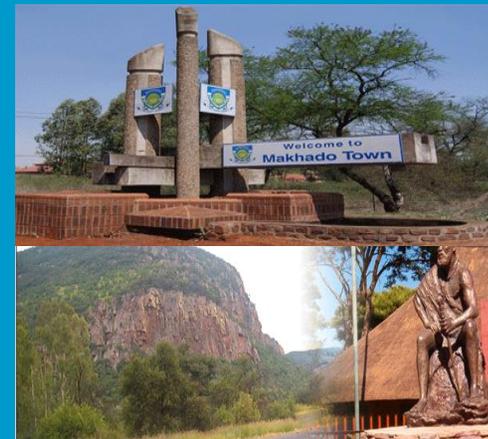


# CHAPTER 6

## AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2012/2013



## ANNUAL REPORT 2012/2013



# CHAPTER 6: AUDITOR GENERAL OPINION ON FINANCIAL STATEMENT

## REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND COUNCIL ON MAKHADO MUNICIPALITY

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the financial statements of the Makhado Municipality set out on pages **7 to 73**, which comprise, the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and 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, 2012 (Act No.5 of 2012) (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 the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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**

#### **Inventory**

6. The municipality did not recognise inventory where it is probable that future economic benefits or service potential will flow to the municipality in accordance with SA Standards of GRAP 12, *Inventories*. The municipality did not establish internal controls over recognition of inventory in the accounting records. I identified land and buildings and investment properties included in land inventory. Consequently, I was unable to determine whether any adjustments to land inventory stated at R309 115 200 (2012: R310 673 200), land and buildings stated at R313 350 047 (2012: R315 348 024) and investment property stated at R52 491 463 (2012: R52 491 463) in the financial statements were necessary.
7. SA Standards of GRAP 12, *Inventories* states that inventory shall initially be measured at cost and where inventory is acquired through a non-exchange transaction the cost shall be measured at the fair value, as at the date of acquisition. I was unable to obtain sufficient appropriate audit evidence for the measurement of land inventory in the accounting records. I was unable to confirm the value of land inventory by alternative means. Consequently, I was unable to determine whether any adjustments to the land inventory stated at R309 115 200 (2012: R310 673 200) were necessary.

#### **Trade receivables**

8. I was unable to obtain sufficient appropriate audit evidence that management has assessed objective evidence of impairment for individually significant financial assets, as required by SA Standards of GRAP 104, *Financial Instruments*. The municipality assessed trade receivables collectively that are not individually significant. I was unable to confirm by alternative means whether objective evidence of impairment exists for individually significant trade receivables. Consequently, I was unable to determine whether any adjustments to trade receivable stated at R62 656 504 (2012:R53 919 649) in the financial statements were necessary. Additionally, there is a consequential impact on the surplus for the period and accumulated surplus.

#### **Contingent liability**

9. The municipality has not disclosed a contingent liability in respect of the uncertainties arising from the dispute declared by the unions and the pending litigation regarding the wage curve agreement. I was unable to confirm the contingent liabilities by alternative means. Consequently, I am unable to determine whether any adjustments to contingent liability stated at R29 584 613 (2012: R9 774 418) in the financial statements was necessary.

### **Related party**

10. The municipality did not disclose related party transactions in the financial statements, as required by International Public Sector Accounting Standard, IPSAS 20: *Related Party Disclosures*. I was unable to determine the full extent of the non-disclosure of related party transactions as it was impracticable to do so.

### **Qualified opinion**

11. 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 Municipality as at 30 June 2013 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**

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

### **Material impairments**

13. As disclosed in note 5 and 7 to the financial statements, the municipality made material impairments to the amount of R170 412 064 for receivables due to the municipality's inadequate collection practices.

### **Irregular expenditure**

14. As disclosed in note 47 to the financial statements, the municipality incurred irregular expenditure amounting to R47 389 556 due to contravention of the supply chain procurement policy.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

15. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### **Predetermined objectives**

16. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages **144 to 195** of the annual report.
17. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities. The usefulness

of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information (FMPPI)*.

The reliability of the information in respect of the selected development priority is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

18. The material findings are as follows:

### **Usefulness of information**

#### **Presentation**

##### **Measures taken to improve performance not disclosed**

19. Section 46 of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 86% of the planned targets not achieved were not reflected in the annual performance report. This was due to the lack of proper budgeting and monitoring of performance management and reporting on progress made during the financial year.

##### **Measures taken to improve performance not supported by sufficient appropriate evidence**

20. Section 46 of the MSA requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Adequate and reliable corroborating evidence could not be provided for 90% of measures taken to improve performance as disclosed in the annual performance report. The municipality's records did not permit the application of alternative audit procedures.

Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the reliability of the measures taken to improve performance.

### **Consistency**

#### **Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets**

21. Section 41(c) of the MSA requires that the integrated development plan should form the basis for the annual report, therefore requiring consistency of objectives between planning and reporting documents. A total of 60% of the reported objectives are not consistent with the objectives as per the approved integrated development plan. This is due to the lack of proper review and procedures for monitoring of the planning and reporting of performance information.

22. Section 41(c) of the MSA requires that the integrated development plan should form the basis for the annual report, therefore requiring consistency of indicators between planning and reporting documents. A total of 30% of the reported indicators are not consistent with the indicators as per the approved integrated development plan. This is due to the lack of proper review and procedures for monitoring

of the planning and reporting of performance information.

23. Section 41(c) of the MSA requires that the integrated development plan should form the basis for the annual report, therefore requiring consistency of targets between planning and reporting documents. A total of 48% of the reported targets are not consistent with the targets as per the approved integrated development plan. This is due to the lack of proper review and procedures for monitoring of the planning and reporting of performance information.

## **Measurability**

### **Performance targets not specific**

24. The National Treasury *FMPPi* requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 43% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principle.

### **Performance targets not measurable**

25. The National Treasury *FMPPi* requires that performance targets be measurable. The required performance could not be measured for a total of 35% of the targets. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principle.

### **Performance targets not time bound**

26. The National Treasury *FMPPi* requires that the time period or deadline for delivery be specified. A total of 69% of the targets were not time bound in specifying a time period or deadline for delivery. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principle.

### **Performance indicators not well defined**

27. The National Treasury *FMPPi* requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 34% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles

## **Reliability of information**

### **Reported performance not reliable**

28. The National Treasury *FMPPi* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

Significantly important targets with respect to development priority: basic services and infrastructure development are materially misstated.

This was due to the lack of frequent review of the accuracy and validity of reported achievements against source documentation.

**Additional matter**

29. I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

**Achievements of planned targets**

30. Of the total number of 244 targets planned for the year, 185 targets were not achieved during the year under review. This represents 76% of total planned targets that were not achieved during the year under review.

This was mainly due to the indicators and targets which were not suitably developed during the strategic planning process.

**Compliance with laws and regulations**

31. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

**Strategic planning and performance management**

32. The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal control as required by section 62(1) (c) (i) of the MFMA.

33. The annual performance report for the year under review does not include measures taken to improve performance, as required by section 46(1) (c) of the MSA.

**Annual financial statements, performance and annual reports**

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

Material misstatements of non-current assets, current assets, current liabilities 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.

**Asset management**

35. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2) (c) of the MFMA.

**Procurement and contract management**

- 36. Invitations for competitive bidding were not always advertised for a required minimum period of days, as required by Supply Chain Management (SCM) regulation 22(1) and 22(2)
- 37. Bids were not always evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one supply chain management practitioner of the municipality as required by SCM regulation 28(2).
- 38. Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding in contravention of SCM Regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
- 39. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5) (b).
- 40. Contracts were awarded to bidders based on preference points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and its regulations
- 41. Contracts were extended or modified without the approval of a properly delegated official, as required by SCM Regulation 5.

**Consequences management**

42. Unauthorized, irregular, fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, in accordance with the requirements of section 32(2) of the MFMA.

**Internal control**

43. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

## **Leadership**

- The accounting officer and management did not exercise adequate oversight responsibility over the enforcement of the municipality's SCM policy.
- Management did not have sufficient monitoring controls to ensure the proper implementation of the action plan and reports from internal audit. The municipality did not properly plan and provide training on performance information planning, management and reporting.
- The municipality did not have key controls to address the systems of collection, collation, verification and storage of performance information.

## **Financial and performance management**

- The municipality did not have a proper system of record management that provides for the maintenance of information that supports the financial statements and reported performance information.
- The financial statements contained numerous misstatements that were corrected. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework and inadequate review over the preparation of the financial statements.
- The municipality's preventive internal controls over procurement of goods and services did not identify contraventions to the municipality's SCM policy.
- The municipality does not have internal control systems to recognise land inventory.

## **Governance**

- The accounting officer and audit committee did not yet find a solution that would ensure that the recommendations of internal audit are addressed and implemented timely.
- The council, accounting officer and audit committee did not yet find a solution that would ensure that the recommendations of audit committee are addressed and implemented timely.

## **OTHER REPORTS**

### **Investigation**

44. An investigation was concluded during 2012 based on discrepancies relating to money received and deposited by a testing station and

allegations relating to missing deposit books. The investigation resulted in criminal proceedings and a summons being instituted against an employee and a service provider.

*Auditor-General*

Polokwane

30 November 2013



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# ANNEXURES

## Annexure A1 Office of the Municipal Manager

Strategic Objectives	Programme/Project	Measurable Performance Indicator	Annual Target	Baseline / Status	Budget	Achievements (Yes/No)	Progress Made	Challenges	Measures Taken To Improve Performance
Integrated Sustainable Development	IDP	Consultative Forums Conducted	8	8	Operational	No	2 forums were held (1 (One) IDP rep forum was held wherein the MM addressed the stakeholders. Another one was held on the request of the stakeholders. An idea of developing town was sold.	Delay in preparation of Budget	Department to stick on the deadline for submission
Improved Governance and Organisational Excellence	Draft IDP review and budget	Draft IDP review and budget adopted by 31 March 2013	Approved IDP review and budget review for on 2013/14 financial year	2012/13 - 2016/17 IDP and budget approved by council on the 31st May 2012	Operational	Yes	Final IDP and Budget was approved by Council within the required timeframe	N/A	N/A
Improved Governance and Organisational Excellence	SDBIP	Approved SDBIP for 13/14 financial year	Approved SDBIP for 13/14 financial year	1	Operational	Yes	The Final SDBIP for 2013/14 financial year was approved and signed by the Mayor. There were improvements inline with the audit queries.	N/A	N/A
Improved Governance and Organisational Excellence	OPMS	# Quarterly performance reports submitted to CoGHSTA	4	2	Operational	Yes	4 Quarterly performance reports submitted to CoGHSTA. There are notable improvements in the current Internal Audit report	N/A	N/A
Improved Governance and Organisational Excellence	Employee Performance Management System	% S57 staff with signed performance agreements	100% (Signed Performance Agreements)	100% (6/6)	Operational	Yes	100% - All Section 57 managers signed performance agreements with its all annexures. Proper monitoring of the performance plans e.g. MIG spending, Midyear assessment conducted (for	N/A	N/A

Strategic Objectives	Programme/Project	Measurable Performance Indicator	Annual Target	Baseline / Status	Budget	Achievements (Yes/No)	Progress Made	Challenges	Measures Taken To Improve Performance
							the first time assessments are conducted for the institution)		
Improved Governance and Organisational Excellence	Employee Performance Management System	Annual Report consolidated	Annual Report was consolidated	Compilation of Annual Report was done in 11/12	Operational	Yes	Compilation of Annual Report for 11/12 was done. Improved quality of the report. All oversight structures were engaged.	N/A	N/A
Improved Governance and Organisational Excellence	Employee Performance Management System	# of formal assessment (S57)	2	0	Operational	No	Annual Assessment for 11/12 was done. Mid-Year Assessment conducted 2012/2013 was also conducted.	None	Annual Assessment to be conducted by September 2013
Improve communication between the municipality and the community	Development and Printing of Newsletter	# of Newsletter Developed	4	None	R 931 606	No	No newsletters printed	Budget constraints	To be done in the next financial year
Improve communication between the municipality and media	Media Conference	# of Media Conference held	4 Per Annum	None	R 931 606	Yes	No media conference held	Budget constraints	To be done in the next financial year
Improved Governance and Organisational Excellence	Imbizos	# of Imbizos Held	8	One	R 931 606		6 IMBIZO's were held	Budget constraints	The reduce the number of imbizos to suit the financial position of the municipality
Good Governance and \public \participation	Purchasing of Banners and Promotional Material	# of Banners and Promotional Materials Purchased	20		R 31 700		Only 12 banners were purchased	Budget constraints	The reduce the number of banners to suit the financial position of the municipality

Strategic Objectives	Programme/Project	Measurable Performance Indicator	Annual Target	Baseline / Status	Budget	Achievements (Yes/No)	Progress Made	Challenges	Measures Taken To Improve Performance
Good Governance and Public Participation	Auditing	Unqualified/ Clean audit report	6	6	Operational	Yes	9 Audit Steering Committee meetings we held. Improvement in terms of holding every official responsible for the function	None	None
Good Governance and Public Participation	Auditing	# of operation clean Audit Committee meeting held	6	4	Operational	Yes	7 Operation Clean Audit Committee meetings were held. AG relied more on the OPCA meetings reports	None	None
Good Governance and Public Participation	Auditing	% internal audit queries resolved within agreed timeframes from issuing of internal audit report per department	100%	0	0		20%. Follow up on all Internal Audit findings previously raised by the Internal Audit unit was done for the first, second and third quarter of the financial year. Fourth quarter - Internal Audit commenced with the follow up in the first week of 2013/14 financial year as management failed to provide progress reports and evidence on time.	At most times officials will put unrealistic target as some of the things could not be finalised in the same financial year	Improve in terms of setting targets with the assistance of PMS Manager
Good Governance and Public Participation	Risk Management	% risks addressed and identified during risk assessment	100%	0	Operational	No	100% (49) were attended to. 10% (5) are fully resolved. There is remarkable improvement in 18% (9) of the risks identified. 71% (35) in not yet resolved due to lack of commitment by officials	Lack of commitment from officials	Risk management to work closely with Internal Audit
Good Governance and Public Participation	Fraud and Anti-Corruption	% of cases reported	100%	0	Operational	Yes	100% resolved (1 case was received and it was finalised successfully)	N/A	N/A
Good Governance and Public Participation	Council Management	% Council resolutions implemented	100%	100%	Operational	Yes	100% implementation of resolution. Directors are held responsible for resolutions regarding their departments	N/A	N/A

## Annexure A2 Department Budget and Treasury

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Review and implementation of uniform tariff structure	Municipal Tariff List	Compliance with the Local Government: Municipal Systems Act 32 of 2000 and the subsequent municipal policy	Yes		The municipality is complying with the Local Government: Municipal Systems Act 32 of 2000. Tariffs set for 12/13 were implemented as approved by council for 4th quarter.	No	No Challenges
Financial Viability and Management	Debt collection.	Debt collectors appointment	Appointment of Debt Collectors	Yes		Debt collectors were appointed and stated with debt collection	Collection remains a challenge	Collection from 3rd party debt collectors continue to generate additional income resistance from some community members to sign debt arrangements
Financial Viability and Management	Bad debts	Debt collection policy	Implementation of Debt Collection Policy.	No		Draft Debt Collection policy is in place. Awaiting for Council approval by 25 July 2013	Collection remains a challenge	Collection from 3rd party debt collectors continue to generate additional income implementing a debt book analysis also to write off bad debts for indigent for yr. end 2012/13
Financial Viability and Management	Compilation of distribution losses report on electricity on a monthly basis.	Distribution losses reports	Twelve (12) months distribution losses reports compiled and submitted for review.	Yes		Electricity distribution losses reports completed for 4th quarter	Capacity -intern assisting	To increase capacity
Financial Viability and Management	Sending out of account statements before the 20th of every month.	Copy of the statements	Accounts statements issued by the 20th of each month for twelve (12) months	Yes		Statements compiled accomplished in each month to date	Communication to consumers on enquiry if delayed statements	To improve communication strategies
Financial Viability and Management	Collection of all monies due on invoices issued out.	Billing vs. collection report (Collection Rate)	Compiled a report on collections versus billings for twelve (12) months	Yes		Collections versus billings report for 4h quarter compiled	None	None

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Sending out of credible account statements to customers.	Reduced Customer Queries/ Reduced quantity of the Deviation List	Reviewed and followed up 1debtors' deviation list report.	Yes		Statements compiled accomplished in each month to date	Capacity challenge	The capacity challenge is temporarily solved because of the intern appointed
Financial Viability and Management	Compilation of daily cash reconciliations	Daily cash reconciliations	Compiled a report on daily cash reconciliations for twelve(12)months	Yes		Daily cash reconciliations performed	Capacity challenge	The capacity challenge is temporarily solved because of the intern appointed and overtime worked by revenue staff
Financial Viability and Management	Compilation of monthly debtor's reconciliations.	Debtors reconciliations	Compiled monthly debtors reconciliations for twelve(12) months	Yes		Debtors recons reports compiled	Capacity challenge	The capacity challenge is partly solved by appointing the Intern and the Assistant Manager.
Financial Viability and Management	Compilation of monthly suspense account reconciliation.	Suspense account reconciliations.	Compiled monthly suspense account reconciliations for twelve(12)months	Yes		Bank account reconciliation.	Challenges remains on deposits unknowns from consumers without reference numbers.	Proposal council to write off deposits from prior years that have not been cleared
Financial Viability and Management	Writing-off of the unreconciliable suspense transactions.	Council resolution	Compilation of an item for write off to the council.	Yes		Bank account reconciliation. Till 30 June	Challenge in run long unknown deposits as transferred to suspense account, to written off deposit older than 3 years.	proposal council to write off deposits from prior years that have not been cleared
Financial Viability and Management	Compilation of monthly consumer deposits account reconciliations.	Consumer deposits reconciliations.	Compiled monthly (Twelve (12) months) consumer deposits account reconciliation.	Yes		Consumer deposit reconciliations in progress	Challenges with the difference as at 30 June, but to resolve with financial statement compilation deadline	New Munsoft module was created to allow system data reports for consumer deposits after billing period closes in April.
Financial Viability and Management	Monthly clearing of bank statements	Bank reconciliation	Account bank statements	Yes		Progress made in clearing about 80% of back log from	Only stale cheques	Overtime worked to clear items

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
	reconciling items e.g. RD and stale cheques.		reconciling items e.g. RD and stale cheques			2010.	returned from bank are a challenge from community services licencing dept. income. Revenue billing does not accept cheques from customers except government schools and churches. Also unknown deposits cause a variance in cashbook	to appoint bank reconciliation accountant by august 2013 to alleviate the remaining back log
Financial Viability and Management	Compilation of monthly rates reconciliation.	Rates reconciliation	Compiled and reviewed (Twelve (12) monthly rates reconciliation for first quarter.	Yes		Rates reconciliation back log in 4th quarter but revenue assistant manager working overtime to address the challenge	Backlog on rates reconciliation due to capacity	Capacity was a problem, due to critical positions were not filled however with the currently appointed Assistant Manager and Intern we are updating the reports
Financial Viability and Management	Accounting and clearing of unknown deposits account on a monthly basis.	Unknown deposits report	Accounting and clearing of unknown deposits account on a monthly basis( for 12 months )	Yes		Accounting and clearing of unknown deposits account on a monthly basis for second quarter in progress	Unknown deposits account	Communication to consumers on enquiry on unknown statements
Financial Viability and Management	Maintenance of a credible indigent's database.	Indigent register	Updated indigent register .	Yes		Indigent register update still in progress	Delay in vetting of applicants	Sampling vetting of applications to ensure validity in progress
Financial Viability and Management	Effective indigent policy	Indigent management software in line with effective indigent policy	Advertisement of request for offers to provide reliable indigent management software in line with effective	Yes		Indigent policy reviewed	None	None

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
			indigent policy					
Financial Viability and Management	Monthly reconciliation of direct income register.	Direct income reconciliation	Compiled monthly reconciliation of direct income register and reviewed (12 Months reports).	Yes		Daily cash recons reconciliation		Register to be control by the end-user(relevant department where application is made) and reconcile to cash received by revenue
Financial Viability and Management	Acquisition of vending machine.	Vending machine	Implementation of request for offers to provide the vending machine.		No	The third party 24 hour vending is operation ,tendering process in progress to increase number of machines	Timing is the only challenge	The implementation of the project is commenced
Financial Viability and Management	Daily cash reconciliation(Regional Offices)	Appointed regional accountants	The director finance to engage corporate services for filling of regional accountants positions.		No	All critical posts to be only filled in 13/14 as per revised organogram	Capacity challenge	Temporarily appointed interns assisting in Feb 13
Financial Viability and Management	Data collection for meters	Evaluation report	Evaluation of the meter readers for performance.	Yes		Quarterly meetings held with meter readers for performance.	Capacity challenge	Appointment of the meter readers UMS in 12/13
Financial Viability and Management	Illegal connections on water and electricity.	Illegal Connections Detection Rate Report	Coordination with Technical Services Department for conducting of meter auditing.	Yes		Continued Coordination with Technical Services Department for conducting of meter auditing.	Capacity challenge	Capacity but 3rd party assisting with meter reading
Financial Viability and Management	Payment of suppliers within 30 days of receiving the invoice.	Creditors aging reports	All suppliers paid within 30 days of receiving the invoice for twelve(12)months		No	Non-compliance due to cash flow constraints	Cash flow constraints	Issued internal memos on requesting departments to submit invoices in time to Budget and Treasury ( Challenges Late submission of invoices) and cash flow constraints
Financial Viability and Management	Payment of salaries on the 25th of every month.	Salaries reports	Salaries paid by the 25th of each month for twelve(12 months)	Yes		Salaries have been paid on time in 4rd quarter.	None.	None.

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Compilation of monthly creditor's reconciliation.	Creditors reconciliations	Monthly creditors reconciliations compiled for Twelve(12 months)	Yes		April to May creditor reconciliation have been complied	None.	None.
Financial Viability and Management	Compilation of monthly vat reconciliation.	Vat reconciliations	Monthly vat reconciliations compiled for twelve(12) months	Yes		April to June vat reconciliation have been complied	None.	None.
Financial Viability and Management	Compilation of monthly salaries reconciliation.	Salaries reconciliations	monthly salaries reconciliations compiled for twelve(12)months	Yes		April to June Salaries recon have been complied	None.	None.
Financial Viability and Management	Compilation of monthly petty cash reconciliation.	Petty cash reconciliations	Monthly petty cash reconciliations compiled.	Yes		April to June petty cash recon has been performed	None.	None.
Financial Viability and Management	Filling and registering of all payment vouchers.	Sequential finalizing system for verification	All payment vouchers filled in a systematic manner.	Yes		All payments vouchers have been filed during the 4th quarter	Challenge Store-room, document to be stored in the office of the Filling Clerk	Challenge Store-room, document to be stored in the office of the Filling Clerk
Financial Viability and Management	Electronic and manual archiving system.	Sequential finalizing system for verification	Create an office space to accommodate proper archiving.	Yes		The manual archiving have been performed	office space constraints and cash flow constraints to procure timeously	office space constraints and cash flow constraints to procure timeously
Financial Viability and Management	Monthly clearing of bank statements reconciling items i.e. Bank charges, stale cheques and debit orders.	Bank reconciliation	Accounted for expenditure bank statements items i.e. Bank charges, stale cheques and debit orders	Yes		Bank reconciliation reports for 4th quarter in progress for June	To conduct mini bank recon on a daily basis	To conduct mini bank recon on a daily basis
Financial Viability and Management	Compilation of retention register on a monthly basis and Reconciliation to the retention/creditors account.	Retention register and account	Compiled retention register on a monthly basis and reconciliation to the retention/creditors account for twelve (12) months	Yes		All three months retention register and recon have been compiled during the 4th quarter	None	None

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Retention reports submitted to the council.	Council items and resolutions	Submit retention report to the council	Yes		Retention registers not yet submitted to council in the next council sitting	None	None.
Financial Viability and Management	Establishment of accurate fixed asset register	Fixed assets register	Updated fixed asset register	Yes		Continuous updating the fixed asset register with additions ,any write-offs and bar-coding rectifications /asset verification	All new acquisitions asset are bar-coded and updated on the system, machine purchased to improve asset verification. PWC assisting with rectification on accounting errors on AG report	All new acquisitions asset are bar-coded and updated on the system, machine purchased to improve asset verification. PWC assisting with rectification on accounting errors on AG report
Financial Viability and Management	Perform stock taking in December/June 2012.	Stock taking reports	Perform stock taking in December/June	Yes		Stock counting conducted	No challenges	No challenges
Financial Viability and Management	Annual stock take report submitted to Council by 30 August 2012 and March 2013.	Council item and resolution	Annual stock take report submitted to Council by 30 August 2012.	Yes		Secondary stock counting conducted to rectify discrepancies in stock reconciliation after stock count	No challenges	No challenges
Financial Viability and Management	Compilation of monthly reconciliation of the asset register and general ledger.	Assets register reconciliations	Compiled monthly reconciliation of the asset register and general ledger for Three(03)months	Yes		Compiled monthly reconciliation of the asset register and general ledger implemented	No challenges	Restatement of prior year figures and asset management system implemented late in financial year still in progress with PWC
Financial Viability and Management	Identification of monthly fixed assets additions and recording in the asset register and the general ledger.	Assets register reconciliations	Asset register and the general ledger updated with monthly assets additions for three (03)months	yes		Schedules for recons updated	Asset management system implemented late last year and the reconciliation is compiled on a monthly bases.	Asset management system implemented late last year and the reconciliation is compiled on a monthly bases.

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Compilation of monthly inventory reconciliation.	Inventory reconciliations	Compiled monthly inventory reconciliation	yes		Compiled monthly inventory reconciliation for Q4 quarter done	No challenges	No challenges
Financial Viability and Management	Computation and recording of monthly fixed assets depreciation in the asset register and the general ledger.	Assets register reconciliations	Computation and recording of monthly fixed assets depreciation in the asset register and the general ledger for three (03)months	Yes		In progress asset management and service provider is still rectifying prior years errors, Accounts dept. and depreciation for the year has been re-calculated and it will be uploaded in the system by 31 July 2013	None	None
Financial Viability and Management	Insurance of all municipal assets.	Copy of the insurance contract	Insurance of all municipal assets	Yes		Insurance of all municipal assets done	No challenges	No challenges
Financial Viability and Management	Linking of the valuation roll and the asset register.	annual asset register	Linking of the valuation roll and the asset register.	Yes		this measure is not undertaken by municipality as valuation roll is linked only to properties being billed for rates and taxes not all municipal land	None	None
Financial Viability and Management	Fleet management policy.	Fleet management software	Review of the fleet management policy.	Yes		All council vehicle captured and updated on the system	None	None
Financial Viability and Management	Asset management software.	Assets management software	Annual asset register compliance and depreciation calculated	Yes		Implemented	None	None
Financial Viability and Management	Attending of Accounting and Financial Management workshops by interns.	Proof of registration	Attendance budget workshop intern.	Yes		Accounting and Financial Management workshops by interns done	None	None
Financial Viability and Management	Preparation of monthly bank reconciliations	Bank reconciliations	Compiled monthly bank reconciliations	Yes		All bank reconciliations complied in 4rd quarter are April and May 2013.	Capacity	intern assisting ,but an assistant bank reconciliations clerk will be appointed in new financial period

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Compilation of monthly investment register.	Investment register	Compiled monthly investment register	Yes		Investment monthly report compiled as at 30 June 2013	None	None
Financial Viability and Management	Preparation and submission of annual financial statements to Auditor General by 31 August 2012	Copy of the annual financial statements	Prepare and submit annual financial statements to Auditor General by 31 August 2013	Yes		To be implemented in August 13	None	None
Financial Viability and Management	Meetings to address audit issues in the action plan to be discussed at the municipal operational clean audit committee meeting per month.	Minutes of finance, operational clean audit committee and the action plan.	Reporting to operational clean audit committee on progress in addressing audit issues.	Yes		Reporting to operational clean audit committee on progress in addressing audit issues.	None	None
Financial Viability and Management	Preparation and submission of interim financial statements to the Council by February 2013.	Copy of the interim financial statements	Preparation and submission of interim financial statements to the Council by February 2013.	Yes		Delay in Preparation and submit the interim financial statements to the council by April 13	None	None
Financial Viability and Management	Submission of MFMA reports(section 71) by due dates as prescribed by Treasury to the Provincial/National Treasury and the Local Government.	Section 71 reports	Submit MFMA reports by due dates as prescribed by Treasury to the Provincial/National Treasury and the Local Government for twelve(12)months	Yes		MFMA reports have been prepared and submitted to the Provincial, National Treasury and Local Government for 3rd quarter	None	None
Financial Viability and Management	Monthly meetings with the budget steering committee to discuss budget related reports and financial matters of the municipality.	Minutes of the budget steering committee.	Budget steering committee meetings held and discussed the budget reports and the financial matters.	Yes		Finance meetings held and discussed the budget reports and the financial matters.	None	None

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Preparation and submission quarterly Municipal financial reports to the Council.	Quarterly reports	Prepare and submit quarterly Municipal financial reports to the Council for first quarter	Yes		Municipal financial reports will be prepared and submitted to the next council meeting in July or August 2013	None	None
Financial Viability and Management	Preparation and submission of mid-year Municipal financial reports submitted to the Council.	Mid-year reports	Preparation and submission of mid-year Municipal financial reports submitted to the Council.	Yes		Preparation and submission of mid-year Municipal financial reports submitted to the Council.	None	None
Financial Viability and Management	Preparation and submission of adjustment budget to the Council by end of February for approval.	Copy of the adjustment budget	Preparation and submission of adjustment budget to the Council	Yes		Preparation and submission of adjustment budget to the Council by end of February for approval.	None	None
Financial Viability and Management	Preparation and submission of the draft to the council by 31 March for approval.	Draft annual budget	Preparation and submission of the draft to the council by 31 March for approval.	Yes		Preparation and submission of the draft to the council by 31 March for approval.	None	None
Financial Viability and Management	Preparation and submission of the final budget to the council by 31 May for approval.	Copy of the final budget	Prepared and submitted the final budget to the council and treasuries.	Yes		Prepared and submitted the final budget to the council and treasuries.	None	None
Financial Viability and Management	Consolidation of departmental budget inputs submitted to B&T by end of December	Minutes of budget discussion meeting and budget workings.	Consolidation of departmental budget inputs submitted to end of December	Yes		Consolidation of departmental budget inputs submitted to B&T	No challenges	None.
Financial Viability and Management	Acquisition of office furniture for interns	HR reports	Obtaining of quotations and issuing of an order.	Yes		Office furniture for interns was delivered	None	None
Financial Viability and Management	Training of officials on the use of supply chain procurement system.	Copy of proof of attendance.	Attendance of the training by all officials	Yes		Implemented Training of officials on the use of supply chain procurement system. Conducted.	None	None

Strategic Objective	Programme/Project	Measurable Performance Indicator	Annual Target	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Financial Viability and Management	Consideration of bid specification by specification committee	Tender specification committee minutes.	Bid Specifications received are finalized within 7 days of receiving request from departments	Yes		Delays in planned meeting dates to but achieved 80%	None	None
Financial Viability and Management	Advertisement of tenders.	Copy of tenders advertised.	All tenders advertised within 7 days of approval of specification by MM.	Yes		Delays in planned meeting dates to but achieved 80%	None	None
Financial Viability and Management	Evaluation and adjudication of tenders	Minutes of adjudication and evaluation committee.	All tenders issued in the first quarter evaluated adjudicated within 90 days of the closing date.	Yes		Implemented -but delay in valuation roll approval by higher authority	Delay in valuation roll appointment but to be completed by 15 April	delay in valuation roll appointment but to be completed by 15 April
Financial Viability and Management	Maintenance of the supplier database.	Supplier database	Updated supplier database in the first quarter.	Yes		Maintenance of the supplier database. done	None	None
Financial Viability and Management	Preparation and submission of reports to council	Council item and resolution	Prepared and submitted first quarter supply chain reports to the council.	Yes		Reports of awards submitted for consideration by council	None	None
Financial Viability and Management	Stock taking at stores	Stock reports submitted to council	Conducted biannually	Yes		Mid- year submitted council and end of the year done but not yet submitted	None	None
Financial Viability and Management	Procurement of goods and services through quotation	Procurement documents	Procure all goods and services needed in this quarter	Yes		Procurement plan admired to- only delay in security and legal database tender	None	None

### Annexure A3 Department Community Services

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
					Yes	No			
To ensure a clean and healthy environment	# of Monthly Water Samples taken	48	Water monitoring	None ( payment was by the Department of health)		No	6 Samples were taken	No budget	To be budgeted for during 2014/2015
To ensure a clean and healthy environment	# of Monthly Inspections of Premises done	240	Health Inspections	None	Yes		251 business inspected	None	None
To ensure a clean and healthy environment	# of Monthly awareness and Health Education done	12	Health Education	None	Yes		78 health awareness and education was conducted to hawkers	None	None
To ensure a clean and healthy environment	# of Monthly approval of Building Plan scrutinize	To scrutinize all building plans received	Building Plans approval	None	Yes		384 plans scrutinized	None	None
To ensure a clean and healthy environment	# of Immediate Investigating of Communicable Diseases Outbreak	If outbreak occurs, to do immediate inspection	Communicable Diseases	None	No		None	None	None
To ensure a clean and healthy environment	# of Weekly monitoring of Waste Collection	48	Waste Collection monitoring	None		No	30 waste collection points monitored	Personnel shortage	Positions to be budgeted for 2014/2015
To ensure a clean and healthy environment	# of Immediate burial of Paupers	To do all requests for pauper burials received	Paupers Burial	R18 648.00( Funds sourced from Vote No: 111/260014	Yes		8 paupers buried	None	None
To improve public participation on transport matters	# of transport forum meeting held	4	2 meetings were held	No Budget		No	3 x meetings were held	Issues raised were not resolved	Technical Committee to be formed to deal with matters rose in the Transport Forum

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
									meeting.
Ensuring secured working environment and Council property	% Fully functional cameras	Installation at Civic Centre, Library and Stores	At 90% completion at the Civic Centre	R900 000.00	Yes		Installation was done at Municipal Stores and Library	None	None
To ensure Safe public roads	# of Pounds / Loading Zones constructed	3	03 Loading zones completed			No	3 Pounds / Loading zones were not constructed	Acquisition of land and the budget was ultimately cut-off	Letters of communication written to Traditional Leader
To ensure manageable hawkers services	# of inspections conducted	12	2	Operational		No	Three inspections conducted	Insufficient Personnel to conduct inspection.	One traffic officer assigned to perform the inspection.
To ensure Safe public roads usage	# of written notices issued	18000	10473 Written Notices were issued	Operational	Yes		17 x rotational roadblocks conducted	Deviation from the approved work plan	To strictly work in accordance with the work plan
To ensure safe collection and banking of council revenue	# of security Service providers	R8' 500 000	R1'01 51504 00	R8' 500 000	Yes		100 % protection of Council revenue	None	None
Protection of council property	# of security Service providers	R8' 500 000	R1'01 51504 00	R8' 500 000	Yes		100 % Secured municipal properties	None	None
Provision of efficient Licensing services	# of Registering Authorities	1	Three Registering Authorities providing Licensing services(Vuwani; Dzanani and Makhado town)	No Budget		No	Project not Completed	Provincial Department under administration	To include the project in the 14/15 Financial Year.
Conducting Road safety Campaigns	# of stray animals campaigns conducted	4	06 Traditional Council visited and attended Traditional council meeting (khoru)	No Budget		No	1 campaign held	No official dedicated to conduct the Project	To dedicate one official for the project

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Road signs purchased.	# of road accident signs purchased	Purchase road accident signs	No accident signs available	R100,000.00		No	Project not Completed	Insufficient funds	Budgeted for 2013/2014
Cubicles installed.	# of cubicles installed	To have all the Registering Authorities within Makhado equipped with Cubicles	No cubicles available.	R101,000.00	Yes		Cubicles installed	None	None
Money safe purchased	# of safes purchased	To have money safe purchased.	No safe available at the testing station	R50 000. 00		No	Safe purchased	None	None
Mounted cashier drawers	# of mounted Cashier drawers installed	To have all the Cubicles equipped with mounted cashier drawers.	Cashiers utilize portable money boxes	R50 000. 00		No	No mounted Cashier drawers installed	Financial constraints	Deferred to the next financial year
Protection of council property	# of security doors fitted	To have all the entry doors fitted with security doors	No security doors at the new building	R10 000. 00		No	No entrants were fitted with security doors	Budgetary constraints	To Source funds from other votes
To ensure continuity of service delivery	# of stand-by generators purchased	To have Stand-by generator purchased	No Stand-by generator available in case of electricity blackout	R600,000.00		No	Specification and wrong quotes	Budgetary constraints and ultimate budget cut-off	Included in the 2013/14 budget
Protection of council vehicles from decaying	# of car ports constructed	To have constructed Car port	Cars parking in an open space	R 30,000.00		No	Project not Completed	Service provider cancelled the appointment	To develop a memo to transfer funds
Dust Hoover machine purchased	# of dust hoovers purchased	To have a Dust Hoover		R6,000.00		No	Project not Completed	Delays from the procurement office	To include the project in the 13/14 Financial Year.
To ensure compliance with the standards	# of K53 equipment's purchased	To have two set of K53 Driving License equipment's purchased	Insufficient stock available	R50 000. 00		No	K53 driving License equipment's not purchased	Budgetary constraints and Not reflected in the initial budget	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
					Yes	No			
Protection of council property	# of security doors fitted	To have all 7 x entry doors fitted with security doors	Not all the entry doors are equipped with security doors	R21 300. 00	Yes		Security doors fitted to all the entry doors	None	None
Purchased Scrubbing machines.	# of scrubbing machines purchased	To have Scrubbing machines.	No scrubbing machine available	R7, 000. 00		No	No scrubbing machine was purchased	None	None
Purchased safe	# of safes purchased	To have money safe purchased.	No money safe available	R15, 000. 00	Yes		Steel cabinets purchased	None	None
Stand-by Generator procured	# of stand-by generators purchased	To have operational stand-by generator purchased.		Not budgeted for		No	Project not Completed	None	None
Dust Hoover machine purchased	# of dust hoovers purchased	To have a Dust Hoover		R6, 000. 00	Yes		Dust hoover purchased	None	None
To ensure compliance with the standards	# of K53 equipment's purchased	To have two set of K53 Driving License equipment's purchased	Insufficient stock available	R50 000. 00		No	K53 driving License equipment's not purchased	No progress made	The Service provider not on the Data base
To inform members of the public on the location of the traffic station	# of information signs installed	To have installed information and direction boards indicating the Registering Authority	No Information and or Direction boards along the road towards the Registering Authority	R24 600. 00	Yes		Project Finalized	None	None
Purchased Water cooler.	# of Water coolers purchased	To have one water cooler	No water cooler for the customers	R2, 600. 00	Yes		2 X Water cooler purchased	Delays from the procurement office	To improve procurement processes

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
To improve communication amongst council officials	# of portable radios purchased	To have 10 x two-way communication radios purchased	Insufficient and defective radios available	R20 000. 00		No	Portable Radios not procured	Financial constraints	Deferred to the next financial year
To improve security at the traffic station	# of floodlights installed	To have 1 x Flood light installed	Too dark at the Registering Authority at night	R40 000. 00		No	Project not Finalized	Logistical Delay from Technical Services Department	Letter of request forwarded to the Technical Services Department
Finalized construction of public toilets	#of public toilets constructed	To have functional public toilets	Public toilets insufficient	R80, 000. 00		No	Material purchased and awaiting for Technical Services personnel to complete the project	Logistical Delay from Technical Services Department	Letter of request forwarded to the Technical Services Department
To provide and promote library and information services to the community	# of books purchased	450 books	16241	R 520 755.04	Yes		382 books purchased	Budget constrains was the major challenge	funds allocated for 2013/2014 financial year
To provide and promote library and information services to the community	# of satellite libraries established	4	Fifteen	R 70 000		No	No Satellite library established	Financial Constrain	budget to be included in the financial year 2014/2015
To provide and promote library and information services to the community	# of library week organised	1	one	R 40 000	Yes		It was celebrated at Johannes Mulambilu secondary school	None	None
To provide and promote library and information services to the community	# of outreach projects organised	6	six	R 10 000	Yes		World book day, Holiday program and back to school campaign were successfully held	None	None
To provide and promote library and information services to the community	# of study carrels purchased	7	10	40 000.00		No	No progress made.	specification submitted to furniture committee and the response was that there is financial constraints	To be budgeted for during 2014/2015
to provide and promote library and information services to	# of book display purchased	4	2	30 000.00		No	No progress made	specification submitted to furniture committee	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
the community								and the response was that there is financial constraints	
To provide and promote library and information services to the community	# of library shelves purchased	5	0	50 000.00		No	Not progress made	specification submitted to furniture committee and the response was that there is financial constraints	Budgeted for 2013/2014
To provide and promote library and information services to the community	# of Readathon campaigns organised	1	1	45 000.00	Yes		1 x campaign held at Elim community hall	None	None
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of disaster incidences assessed within 24 hours	Assessed and assist all disaster victims with humanitarian assistance	357 Disaster incidents were attended	R428 000.00	Yes		2518 Disaster victims were assisted within 24hrs	Shortage of Disaster equipment's like tents is not enough to cater all disaster victims	Liaise with the district disaster centre to assist with disaster tents
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of Advisory Forums meetings held	4	Two Advisory Forum meeting were held	R8 000.00		No	One Advisory forum meeting held	Budget constraints was the major challenge	A memo was written to the Municipal Manager requesting for the catering of Advisory Forum
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of No Fire Season campaigns conducted	4	Three No Fire Season Campaign were conducted	R20 000.00		No	No Fire season campaign was conducted	No campaign was conducted due to heavy rains experience in this quarter	None

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of Workshops conducted	2	Three Disaster Workshop were conducted	R40 000.00		No	No workshop conducted	None	None
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	Disaster Management Policy reviewed	Disaster Management Policy reviewed by the end of March 2013	A draft Disaster Management policy is under review	None	Yes		The disaster policy was adopted by council during 1st quarter	None	None
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of Joint Operational Centres established	2	Establish two Joint Operational Centre	R4 000.00	Yes		2 x Joint Operational Centre for Easter Holidays was established	None	None
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	% of Disaster Management Plan reviewed and integrated in the IDP	Disaster Management Plan reviewed by the end of March 2013	The plan was reviewed and forms part of IDP document	None	Yes		Disaster Management Plan was adopted by Council	None	None
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	% of Evacuation plan available	Evacuation Plan reviewed by end of September 2012	Evacuation plan was reviewed and submitted to Central Safety Committee	None	Yes		A draft Evacuation plan has been reviewed and submitted to the OHSC meeting	None	None

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
					Yes	No			
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of Calls received and referred to the relevant departments/Authorities	Assisted all member of public who reported the problems at the call centre	4601 Call were received from members of public	None	Yes		7891 Calls were received from members of public and the complains or reported faults were referred to the relevant departments within 5 minutes.	The usage of one telephone hand-set is the measure challenge	Request Corporate and Shared Services to procure a well advance hand-set equipment
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of Disaster Equipment's purchased	Disaster equipment's purchased by the end of June 2013	0	R300 000.00	No		None	Disaster equipment's in form of tents were not procured due to budgetary constrains	Nothing has been done due the fact that procurement of disaster tents is the competency of the District Municipality
To Prevent and Responds to disaster related incidences and mitigating in partnership with all spheres of government and other role stakeholders	# of Parking Bays for Council vehicles constructed	Parking Bay constructed by the end of June 2013	0	R25 000.00		No	None	Construction of Parking Bay for Council vehicles not done due to budgetary constraints	Nothing has been done due the fact that the allocated budget has been cut off during budget adjustment
	# of Mayoral Budget Speech Ceremony	1	1	R150 000	Yes		1 Budget Speech ceremony held	None	None
Coordinate, support and provide youth activities	# of Youth council meetings held	4	4	R4 000.00		No	1 x Youth Meetings	Financial Constrains	Budgeted for 2013/2014
Coordinate, support and provide youth activities	# of Cleaning Campaign organized	4	4	R40 000. 00		No	No Cleaning Campaign organized	Financial Constraints	Budgeted for 2013/2014
Coordinate, support and provide youth activities	# of June 16 Memorial Lecture held	1	1	R35 000.00		No	1 x youth who Memorial Lecture held	None	None
Coordinate, support and provide youth activities	# of June 16 Youth celebration held	1	1	R50 000.00	Yes		1 x 16 June celebration held	None	None

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Coordinate, support and provide youth activities	# of youth Council induction workshop held	1	1	R50 000.00		No	None	Financial constrains	Budgeted for 2013/2014
Coordinate, support and provide youth activities	# Young Woman in Dialogue held	1	1	R55 000.00		No	None	Financial constrains	Budgeted for 2013/2014
Coordinate, support and provide youth activities	# of Regional Youth AIDS Awareness Campaigns held	1	19	R16 000.00		No	1 Regional Youth AIDS Awareness Campaigns	Financial constrains	Budgeted for 2013/2014
Coordinate, support and provide youth activities	# of Ward Youth Councils Establish	4	4	None		No	None	Financial constraints	Budgeted for 2013/2014
To ensure that the bursary is advertised, selection and awarding process are done.	# Of learners benefiting from the Makhado Municipality Bursary Scheme.	To offer needy and deserving learners bursaries.	15	423 600.00	Yes		eight bursary holders has been paid and the meeting for selection of new intakes held	Most of the Bursaries did not submit their results	The new draft policy which is due for council adoption will address most of the challenges
Sports: To promote unity, social cohesion and community development through the enhancement of sports.	# of sports council meetings	4	4	R4 000.00		No	To convene 4 x Quarterly meetings of the Sports Council	Financial constrains	Budgeted for 2013/2014
Sports: To promote unity, social cohesion and community development through the enhancement of sports.	# of sports events held and supported in Regions	4	4	R120 000.00		No	None	Financial constrains	Budgeted for 2013/2014
Sports: To promote unity, social cohesion and community development through the enhancement of sports.	# of local sports clubs and federations supported	6	6	R466 000.00		No	5 x Regional Sports Tournaments supported	Lend of legend did not take place	Organizers failed to organize the Land of Legend

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Coordinate, support and provide youth activities	# of historically disadvantaged sports clubs supported with sporting equipment's held	8	8	R200.000.00		No	1 x historically disadvantaged sports clubs supported with sporting equipment's.	Financial Constrains	Budgeted for 2013/2014
Sports: To promote unity, social cohesion and community development through the enhancement of sports.	# of Sports Indaba held	1	0	R60.000.00		No	None	Financial constrains	Budgeted for 2013/2014
<b>Arts and Culture:</b> To promote arts and culture in schools and communities thus contributing to national unity, social cohesion and peace and social justice.	# of Arts and Culture meetings held and supported	4	4	R4 000.00		No	None	Arts and culture committee term has expires	The new committee must be launched
Coordinate, support and provide cultural activities	# of Arts and Culture events supported and hosted	1.00	1	R50 000.00	Yes		One Sponsorship athletes for TAFISA held	None	None
Coordinate, support and provide cultural activities	# of freedom day celebration	1	1	R26 000.00	Yes		1 x freedom day celebration held	None	None
Coordinate, support and provide cultural activities	# of Mayoral Community Awards	1	1	R90 000		No	None	Arts and culture committee term has expires	The new committee must be launched
<b>Children:</b> To promote the rights, interests and aspirations of children, providing care and support to children and their organizations, facilitate the participation of children in educational	# of Children's Advisory Council Quarterly meetings held.	4	4	R4 000.00		No	3 x Children's Advisory Council Quarterly meetings held.	Financial Constrains	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
and government programs, especially OVC's									
<b>Children:</b> To promote the rights, interests and aspirations of children, providing care and support to children and their organizations, facilitate the participation of children in educational and government programs, especially OVC's	# of children's events and awareness campaigns held	4	4	R32 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Coordinate , support and Manage Children's Activities	#of identified OVC children and insure that they receive the necessary support.	3	80	R30 000.00		No	None	Financial constraints	Budgeted for 2013/2014
Coordinate , support and Manage Children's Activities	# of children who attended take Girl Child to work Campaign	1	1	R9 000.00		No	None	Financial constraints	Budgeted for 2013/2014
<b>Disability:</b> To promote the rights, interests and aspirations of people living with disabilities through education and training, advocacy and lobbying and coordination of programmes.	# of Disability forums meetings conducted	4	4	R4 000.00		No	3 x Disability Council Quarterly meetings held.	Financial Constrains	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
					Yes	No			
<b>Disability:</b> To promote the rights, interests and aspirations of people living with disabilities through education and training, advocacy and lobbying and coordination of programmes.	# of Disability awareness events hosted	1	1	R50 000.00	Yes		Eye Care Awareness Campaign in partnership with Rivoni Society for the Blind was held	None	None
<b>Disability:</b> To promote the rights, interests and aspirations of people living with disabilities through education and training, advocacy and lobbying and coordination of programmes.	# of Makhado Municipality Disability Day conducted	1	1	R56 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Coordinate , support and implement of people living with disabilities	# of people who attended Makhado Municipality Disability Day	1	1%	R30 000.00	Yes		1 International Day for People with Disabilities	None	None
Coordinate , support and implement of people living with disabilities	# of International Day for People with Disabilities day to be supported	1	1%	R15 000.00		No	1 Regional awareness Campaign	Financial Constrains	Budgeted for 2013/2014
To create awareness on the disease and to promote healthy living	# of public awareness campaigns held	4	4%	R4 000.00		No	1 x local AIDS meetings held	Financial Constrains	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
To create awareness on the disease and to promote healthy living	# of technical AIDS Committee meetings held	4	4	R4 000.00		No	3 x AIDS Technical meeting held	Financial Constrains	Budgeted for 2013/2014
To create awareness on the disease and to promote healthy living	# of campaigns held	1	1	R30 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
To create awareness on the disease and to promote healthy living	# World aids Day awareness held	1	1	R50 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
To create awareness on the disease and to promote healthy living	# of Candle light Memorial Service Campaign held	1	1	R20 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
To create awareness on the disease and to promote healthy living	# of home base care workshop	1	1	R46 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Facilitate , coordinate and implement Woman's Programmes	# of women forum meetings	4	4	R4 000.00		Yes	3 x Quarterly Women Forum meetings held.	Financial Constrains	Budgeted for 2013/2014
Facilitate , coordinate and implement Woman's Programmes	# 16 Days of Activism Campaign conducted	1	1	R30 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Facilitate , coordinate and implement Woman's Programmes	Launching of woman month and cleaning Campaign	1	1	R10 000. 00		No	One Launch of Women's Month and Cleaning Campaign	Financial Constrains	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
					Yes	No			
Facilitate , coordinate and implement Woman's Programmes	# of Makhado Women Councillors Summit	1	1	R15 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Facilitate , coordinate and implement Woman's Programmes	# of Female Farmer Awards coordinated	1	1	R15 000.00	Yes		One Female Farmer Awards held	None	None
Facilitate , coordinate and implement Woman's Programmes	# of support women job creation project	1	1	None	Yes		One National and Provincial Women's Day Celebration held	None	None
Support and monitoring of women job creation projects	# of projects visited	4	0	None		No	No projects visited	Financial Constrains	Budgeted for 2013/2014
Coordinate and Manage programmes of the Elderly	# of Quarterly meeting held	4	4	R4 000.00		No	3 elderly meeting held	Financial Constrains	Budgeted for 2013/2014
Coordinate and Manage programmes of the Elderly	# of public awareness campaigns and events for the elderly held.	1	1	R30 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Coordinate and Manage programmes of the Elderly	# of elderly who attended the soccer club	1	1	R40 000. 00	Yes		Host the Soccer Tour for the Elderly- QwaQwa	None	None
Coordinate and Manage programmes of the Elderly	# of regional cleaning Campaigns	1	1	R8 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Coordinate and Manage programmes of the Elderly	# of capacity building workshop for the elderly held	1	1	R16 000.00		No	NONE	Financial Constrains	Budgeted for 2013/2014
Arrange, facilitate and implement Bathos peel programmes	# of Bathos Pele Forum meetings held.	4	0	R4 000.00		No	3 x Bathos-Pele meetings held	Financial Constrains	Budgeted for 2013/2014
Arrange, facilitate and implement Bathos peel programmes	# of batho-Pele day held	1	1	R40 000. 00		No	None	Financial Constrains	Budgeted for 2013/2014

Strategic Objective	Measurable Performance Indicator	Annual Targets	Baseline	Budget	Achievements (Yes/No)		Progress Made	Challenges	Measures Taken To Improve Performance
Facilitate and Promote acceptable social fibre and behaviour	# of Moral Regeneration meetings held	4	0	R4 000.00		No	None	Financial Constrains	Budgeted for 2013/2014
Facilitate and Promote acceptable social fibre and behaviour	# of Makhado MRM Summits held	1	1	R46 000.00		No	None	Financial Constrains	Budgeted for 2013/2014

**Annexure A4 Department Corporate Support and Shared Services**

Performance Indicators	Baseline	Annual Target	Status Achieved (Not Achieved)		Progress to Date	Challenges	Measures Taken To Improve Performance (Intervention)
			Yes	No			
To have effective, efficient and economic document management	Collaborator platform in use was installed in June 2007.	Upgraded collaborator (document management system)	Yes		Collaborator was Upgraded	None	None
To collaborator Support System	No Collaborator Foundation System on site Support Agreement at present	A comprehensive Collaborator Foundation on site System Support Agreement to ensure effective and efficient use of system on daily basis	Yes		A comprehensive Collaborator Foundation was put on site System Support Agreement to ensure effective and efficient use of system on daily basis	None	None
To have a fully functional registry section.	Operational practices require continuous focus to comply with requirements	Comply with requirements of National Archive Act and its Regulations in daily operations	Yes		Compliance with requirements of National Archive Act and its Regulations has been done	None	None
To convene 1 Council meeting and 1 Special council meeting according to meeting schedule.	Council meetings are convened as per council meeting schedule. Special council meeting are held when need arises.	To convene Council meetings as per Council schedule of meetings.	Yes		Council meetings as per Council schedule of meetings were convened	None	None
To convene executive committee meeting as per Exco meeting schedule.	Executive Committee meetings are convened as per EXCO meeting schedule. Special Exco meetings are convened when need arises.	To convene Executive Committee meetings as per Executive Committee meeting schedule,	Yes		Executive Committee meetings as per Executive Committee meeting schedule were convened	None	None
To convene 18 Portfolio Committee meetings as per portfolio committee meeting schedule.	Portfolio Committee meetings are convened as per portfolio committee meeting schedule. Special Portfolio meetings are convened as when the need arises.	To convene portfolio Committee meetings are convened as per portfolio committee scheduled and when the need arises.	Yes		Portfolio Committee meetings were convened as per portfolio committee scheduled and when the need arose	None	None
To convene Bid	Ad hoc committee	To convene bid Committee Meetings.	Yes		Committee Meetings	Agendas are sometimes	To stick to the scheduled

Performance Indicators	Baseline	Annual Target	Status Achieved (Not Achieved)		Progress to Date	Challenges	Measures Taken To Improve Performance (Intervention)
			Yes	No			
Committee Meeting	meetings must be convened (Bidding Committees, Risk Committees, etc.)				convened	delivered a few minutes before the meeting is held; in a rule must be applied that at least 3 days' notice must be given of any bid committee	date
Development of Municipal Code	35 By-Laws out of 54 from the Greater Louis Trichardt TLC were reviewed. 22 draft reviewed By-Laws (2010/11) are in the process of promulgation in the Government Gazette. 2 By-Laws were referred back by Executive Committee for further research. 12 By-Laws were reviewed in 2011/11	*Promulgation of 11 draft reviewed By-Laws (2011/12)  * Review and promulgate at least 10 By-Laws (2012/13)		No	6 promulgated	Only 6 submitted to Council for approval due to financial cash flow to be considered after the budget adjustment	To review more in the next financial year
Development of a Policy Register	18 HR policies were identified and are undergoing review process through the policy task team, 4 Financial related policies were adopted by council 4 ICT policy were also adopted by council	Coordinating the drafting of policies through the policy task team : 11 Financial related policies, 1 sale and alienation of land policy and the waste management policy to be developed Completion of the review 18 HR Policy from the previous financial year		No	Only 11 Financial related policies, 1 sale and alienation of land policy and the waste management policy to be developed Completion of the review 18 HR Policy from the previous financial year	Taking time to finalise policies	To review more in the next financial year
To Convene twelve Local Labour Forum meetings	Twelve Local Labour Forum Meetings were convened	To convene twelve Local Labour Forum Meetings		Yes	12 Local Labour Forum Meetings were convened	None	None
Reviewing Human Resource Policies by end of June 2013	Approved Human Resource Policies	Review six Human Resource Policies		Yes	Six Human Resource Policies were reviewed	None	None

Performance Indicators	Baseline	Annual Target	Status Achieved (Not Achieved)		Progress to Date	Challenges	Measures Taken To Improve Performance (Intervention)
			Yes	No			
Updated and accurate data for processing, decision making, billing and prompt revenue collection	Not all data is available, not all data is correct, not all data is used optimally  Daily back up of financial management system data is done	Complete and regular backups of all data, especially on income generating related data	Yes		Backups were done regularly	None	None
Full Disaster Recovery Plan for all data and operational software systems	On line Disaster Recovery Plan for financial management system only as done by service provider at an annual fee	Effective disaster recovery plan in case of disaster for all software systems to continue uninterrupted		No	Disaster Recovery Plan was not done due to financial constraints	Investigate affordable Disaster Recovery Plan and Implementation.	To consider in the next financial year
To purchase tool and equipment.	Needs analysis	All necessary ICT equipment purchased, installed and commissioned	Yes		All necessary ICT equipment purchased, installed and commissioned	None	None
Number of advertised vacancies per quarter	103 vacancies have been advertised	To advertise 68 vacancies		No	Not all targeted posts were advertise due to financial constraints	Due to dire financial constraints, vacancies are not been filled	Reviewal of the organogram for implementation in the 2013/2014 Financial Year
Number of funded posts in organogram that were filled per quarter	36 Vacancies have been filled	To fill 68 critical identified vacant funded positions as requested by the heads of departments and approved by the municipal manager.		No	Not all critical posts were filled	Due to dire financial constraints, vacancies are not been filled	Reviewal of the organogram for implementation in the 2013/2014 Financial Year
Capturing of all approved leave forms.	100% capturing of all approved leave forms	To capture all approved leave forms.	Yes		All approved forms were captured	None	None
To Coordinate four HIV/AIDS awareness campaign	Four HIV/AIDS awareness campaigns coordinated.	To coordinate four HIV/AIDS awareness campaigns.		No	No campaigns conducted due financial constraints	Due to dire financial constraints, campaigns are not been conducted	HOD" s need to assist in referring Employees when there is a need and let them attend the HIV/AIDS Campaigns. Panel of medical expertise will be contracted to assist employee s whenever the

Performance Indicators	Baseline	Annual Target	Status Achieved (Not Achieved)		Progress to Date	Challenges	Measures Taken To Improve Performance (Intervention)
			Yes	No			
							need arises
To Support employees through the Employee Assistance Programme	Employees are not willing to report their cases for assistance.	To support all Employees who have reported their cases through Employee Assistance Programme	Yes		Employees were supported	None	None
To Train employees as per 2012/2013 Work Place Skills Plan	Eight hundred and thirty nine employees were trained as per 2011/2012 Workplace Skills Plan	Training and development of 675 Employees.	Yes		300 employees trained	Limited funds	Train others in the next financial year
Compiling and Submission of Approved Workplace Skills plan to LGSeta by 30 June 2013	2011/2012 Approved WSP	To compile and Submit Workplace Skills Plan every year according to legislative requirements	Yes		WSP Compiled	None	None
To compile the Employment Equity Plan for 2012/2013 to 2016/2017	2007/12 Employment Equity Plan.	To have an approved Employment Equity Plan for 2012/2013 to 2016/2017	Yes		Employment Equity Plan approved	None	None
To award bursary to the financially deserving employees	No bursary for financially deserving employees	To award bursary to employees		No	Bursary scheme could not be implemented due to financial constraints	The bursary scheme could not be implemented due to financial constraints	To consider it in the next financial year
To report on addressing risk identified in the Department	Progress on Risk Management issues reported on a quarterly basis	To report action taken on all strategic risks identified		No	100% (49) were attended to. 10% (5) are fully resolved. There is remarkable improvement in 18% (9) of the risks identified. 71% (35) in not yet resolved due to lack of commitment by officials	Lack of commitment from officials	Risk management to work closely with Internal Audit
To report progress on all internal audit queries within agreed time frames from issuing of internal audit report per	Progress on all internal audit queries reported on a quarterly basis.	To report progress on all internal audit queries within agreed time frames from issuing of internal audit report per department			20%. Follow up on all Internal Audit findings previously raised by the Internal Audit unit was	At most times officials will put unrealistic target as some of the things could not be finalized in the same	Improve in terms of setting targets with the assistance of PMS

Performance Indicators	Baseline	Annual Target	Status Achieved (Not Achieved)		Progress to Date	Challenges	Measures Taken To Improve Performance (Intervention)
			Yes	No			
department					done for the first, second and third quarter of the financial year. Fourth quarter - Internal Audit commenced with the follow up in the first week of 2013/14 financial year as management failed to provide progress reports and evidence on time.	financial year	Manager
To represent the municipality in the Disciplinary hearing, Appeal, CCMA / Bargaining Council during Conciliation / Mediation and Arbitration process	In terms of the Collective Agreement Disciplinary Procedure and Code this function cannot be outsourced and officials from another municipality can serve as Presiding Officer or Employer Representative in other municipality. 5 disciplinary hearing were conducted in the municipality and 2 were conducted on behalf of other municipalities	Disciplinary hearing must be conducted and completed within 3 months from the date when the municipality became aware of the misconduct		No	Not all were conducted and finalized within 3 months	Delays in investigations	To improve the investigation
To represent the Municipality.	47 Service Level Agreements were drafted during the last financial year	To draft Contracts within 14 days from date of receiving instruction		No	Not all service level agreements were done within 14 days	Delays in finalizing appointments	To improve in future
To provide Legal opinion five days after request.	Legal opinion / advise / investigations are drafted and provided within 14 days from date of receiving	Legal advise and opinion to be provided 14 days from the date of receipt instruction		No	Not legal advises provided within 14 days	Detailed research take time	To improve in future

Performance Indicators	Baseline	Annual Target	Status Achieved (Not Achieved)		Progress to Date	Challenges	Measures Taken To Improve Performance (Intervention)
			Yes	No			
	instruction						
To procure tools and equipment's	Needs analysis	All necessary ICT equipment purchased, installed and commissioned		No	Not all equipment's were purchased	Due to financial constraints	To budget in the next financial year
Efficient Committee System	Committee management	Compile and deliver agendas according to approved schedule of meetings 7 days prior to meeting. Compile and deliver minutes of meetings within 5 days of the date of the meeting	Yes		All agendas were done and delivered on time.	None	None
Efficient Committee System	Committee management	Compile and deliver agendas according to approved schedule of meetings 7 days prior to meeting. Compile and deliver minutes of meetings within 5 days of the date of the meeting	Yes		All agendas were done and delivered on time.	None	None
Efficient committee system	Committee management	Compile and deliver agendas according to approved schedule of meetings 7 days prior to meetings. Compile and deliver minutes of meetings within 1 to 3 days of the date of the meeting	Yes		All agendas were done and delivered on time.	None	None
Efficient Committee System	Committee management	Distribute Council Resolutions within 7 days to all HODs for their attention	Yes		All agendas were done and delivered on time.	None	None
Efficient Committee System	Council Resolutions must be promptly and fully implemented	Collect written reports on the status of implementing Council Resolution from HODs within 21 days of the date of the Council meeting  Submit to AO	Yes		All council resolution were fully implemented	None	None
Public consultation /participation/ reporting	Data to be put on municipal website continuously	Duly updated municipal website at all times	Yes		Municipal website was always updated	None	None

## Annexure A5 Department Development Planning

Strategic Objective	Measurable performance indicator	Annual Target	Baseline/Status	Budget	Achievements (Yes/No)	Progress made	Challenges	Measures taken to improve performance
Integrated Sustainable Development	Number of regional consultative forums co-coordinated	8	8 regional consultative forums were held in 11/12 financial year. R 550 000.00 spent for 11/12 financial year	R590,000	Y	4 Regional consultative forums were held.	Delays in finalising the budget	To finalise the draft budget within timeframes
Integrated Sustainable Development	Number of IDP rep forums co coordinated	4	4	Same as above	Y	4 IDP rep forums were coordinated. Attendance was good through good marketing initiatives (letters, notices, print media)	None	None
Improved Governance and Organisational Excellence	Number of internal audit queries resolved	Resolve all issues raised by internal audit	Issues raised by internal auditors were partially resolved	N/A	Y	All audit queries were resolved. Land audit was finalised. Landsale policy was also completed.	None	None
Improved Governance and Organisational Excellence	Number of external audit queries resolved.	Resolve all issues raised by external auditors. Update resolution register as and when issues have been resolved per quarter	Issues raised by external auditors were partially resolved	N/A	Y	All audit queries were resolved. Land audit was finalised. Landsale policy was also completed.	None	None
Creation of long term sustainable and integrated economic growth and rural development	Number of LED projects assessed.	30 projects assessed per financial year as identified in the municipal IDP.	5 projects assessed	N/A	Y	11 projects assessed.	None	None

Strategic Objective	Measurable performance indicator	Annual Target	Baseline/Status	Budget	Achievements (Yes/No)	Progress made	Challenges	Measures taken to improve performance
Creation of long term sustainable and integrated economic growth and rural development	Number of projects supported	5 projects supported by end of 2012/2013 financial as guided by the adopted IDP.	5 projects supported	R470,000.00	Y	5 projects are receiving finds. Projects were assisted to prepare applications and supporting documents.	Withdrawal of Muraleni Bakery from receiving municipal funding confirmed by the ward Cllr.	To identify new projects for funding and support.
Creation of long term sustainable and integrated economic growth and rural development	Number of shows hosted	01 Annual Show to be hosted	01 Annual Show hosted	R100,000.00	Y	One annual show hosted on the 26-28 July 2012. Extra were put in mobilising community and private stakeholders.	Service provider did not provide enough security for crowd control	Engagement with the service provider prior 2013 annual show.
Creation of long term sustainable and integrated economic growth and rural development	Number of LED forum meetings held	Hold 04 meetings per annum	01 Meeting held	N/A	Y	4 were held	A need for an Induction workshop for LED members.	Logistical arrangement for the workshop
Creation of long term sustainable and integrated economic growth and rural development	LED Strategy review	Reviewed LED Strategy	Draft LED Strategy in place	R200,000.00	Y	LED draft strategy is available. Efforts were put in place to monitor the service provider	Service provider to include proposal of the project reference group in the draft reports.	Regular and planned project task team meetings.
Creation of long term sustainable and integrated economic growth and rural development	Number of museums supported, Dzata and Schoemansdal	2 museums supported. Dzata and Schoemansdal	2 museums supported in 11/12 financial year, Dzata and Schoemansdal	R150,000.00	N	Dzata museum was assisted partially	The project will no longer be supported since it is undue Dept. of sports Arts and Culture	To consult further with Dept. of Sports Arts and Culture to clarify the issue of budgeting between the municipality and the Dept.
To ensure effective and efficient land use management	Number sites formalised.	Formalise 700 sites at Matshavhawe.	Informalised sites at Matshavhawe	350,000.00	N	Service provider appointed	Delay in appointment	Regularly checking progress with finance department concerning tender advertisements.

Strategic Objective	Measurable performance indicator	Annual Target	Baseline/Status	Budget	Achievements (Yes/No)	Progress made	Challenges	Measures taken to improve performance
To ensure effective and efficient land use management	Land audit report	Development of land audit report for the whole municipality by the end of June 2013.	Service provider appointed	400,000.00	Y	Land audit report completed. This added more value to the audit opinion	N/A	N/A
To ensure effective and efficient land use management	Number of sites demarcated.	Demarcation of 200 sites at Pfumembe.	Service provider appointed	R200,000	N	Planning was completed. 200 sites have been completed. Close monitoring of the project was done.	N/A	N/A
To ensure effective and efficient land use management	Number of sites demarcated.	Demarcation of 200 sites at Tshitungulwane.	Service provider appointed	R200,000	N	Planning was completed. Layout and motivational memorandums completed	Land invasion.	Engagement with traditional council.
To ensure effective and efficient land use management	Number of sites demarcated.	Padkamp township establishment/Subdivision, Street closure, 100 sites	Houses that are not aligned to the general plan	R100,000.00	N	Specifications completed no progress made concerning tender advertisements	N/A	N/A
To ensure effective and efficient land use management	Development of land sale policy	Land sale policy reviewed by end of June 2013	There is no land sale policy in place	R25,000.00	Y	Land sale policy completed. The policy was done internally	N/A	N/A
To ensure effective and efficient land use management	Valuation roll	Development of the valuation roll	Outdated valuation roll	1,000 000.00	N	Tender adjudicated and is awaiting appointment	Delay in appointment	Follow up to be made for the appointment of the service provider to be done
To ensure effective and efficient land use management	Number of Local Spatial Development developed.	1 LSDF developed per annum.	Service provider appointed	R500,000.00	Y	Local Spatial Development Framework completed. Close monitoring was done	N/A	N/A
To ensure effective and efficient land use management	General plan	Revised extension 13 layout plan.	Layout plan available	R100,000.00	Y	Layout completed. Close monitoring was done	Eskom proposed a power line that will cut across the designed layout. Proposal by Eskom will delay finalization of Extension 13 design	Regular communication with Eskom to speed up their designs.

Strategic Objective	Measurable performance indicator	Annual Target	Baseline/Status	Budget	Achievements (Yes/No)	Progress made	Challenges	Measures taken to improve performance
To ensure effective and efficient land use management	EIA report Demarcated site	Demarcate and purchase 2 hectare for Graveyard at Elim. EIA for graveyard site	EIA report has been done for 5600 portion, Site for graveyard not yet demarcated	R500,000	N	Specifications completed	Land ownership	Engage rural Development and Land reform and Provincial government (COGHSTA and Public Works)
To ensure effective and efficient land use management	Number of building plans approved	Approved 350 building plans per annum	Building plans were approved in the previous financial year	N/A	Y	337 building plans were approved.		Assist Architects on forms and calculation details Architects are advised to renew their SACAP registrations
To ensure effective and efficient land use management	Number of sites demarcated	Demarcate approval in principle/P.T.O sites 225 sites per annum	Sites has been demarcated in 11/12 financial year	N/A	Y	136	There is only one land surveyor to serve the whole municipal jurisdiction	Appointment of 2 land surveyors in 13/14 financial year
To ensure effective and efficient land use management	Number of pegs relocated	Relocate 70 iron pegs per annum	Iron Pegs have been relocated in 11/12 financial year		Y	170	There is only one land surveyor to serve the whole municipal jurisdiction	Appointment of 2 land surveyors in 13/14 financial year
To ensure effective and efficient land use management	Number of P.T.O applications assessed		Permission to occupy applications have been assessed in 11/12 financial year		Y	1068	Lack of computers/lap tops for town planners. There are six and they are currently using one desk top	Follow up with corporate department on the procurement of lap tops and desk tops.
To ensure effective and efficient land use management	Number of sites sold	Selling of residential, business and industrial sites at Makhado town and R293 towns	Sites have been sold in 11/12 financial year	N/A	Y	13 sites sold. Applications are processed with diligence while there is shortage	Lack of personnel undue property section	Inclusion of posts in 13/14 organogram
To ensure effective and efficient land use management	Number of beneficiaries included in the data base	Collect data in line with the housing plan	Data base has been done for the 11/12 financial year	N/A	Y	List for 13/14 financial year finalised	N/A	N/A

Strategic Objective	Measurable performance indicator	Annual Target	Baseline/Status	Budget	Achievements (Yes/No)	Progress made	Challenges	Measures taken to improve performance
To ensure effective and efficient land use management	Number of meetings coordinated	Coordinate 4 housing meetings per annum	Meetings were coordinated in 11/12 financial year	N/A	Y	6	N/A	N/A

#### Annexure A6 (Department Technical Services)

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Ring Main Units 11kV(RMU)	250 000.00	-		No	none	Financial constraints and time	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Mini Subs	250 000.00	190 200.00	Yes		2 mini subs	None	
Basic Services and Infrastructure Development	Low voltage problem urban	50 000.00	49 900.94	yes		80 poles	none	
Basic Services and Infrastructure Development	Low voltage problem rural	50 000.00	49 890.65	Yes		3km line upgraded	none	
Basic Services and Infrastructure Development	Upgrade Ring supply MARA & Bandelierkop lines	50 000.00	3 952.00	Yes		5km line	None	
Basic Services and Infrastructure Development	MV Cables 70mm <sup>2</sup> - urban network	800 000.00	682 500.00	yes		500m cable	None	
Basic Services and Infrastructure Development	Upgrade Tshipise line	50 000.00	5 160.04	Yes		5km line	None	
Basic Services and Infrastructure Development	Remote control of switch gear Tshipise & Levubu sub and line controllers	50 000.00			no	none	financial constraints	differed to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Replace Line protection control Panel complete Makhado Sub	100 000.00			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Protection relays Urban indoor subs with new relays	100 000.00			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Recloser whole network	250 000.00			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Recloser controls x 5	200 000.00			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Upgrading Mountain line	1 000 000.00			no	none	Financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Upgrading Industrial line	500 000.00	588.72		no	none	Financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Sub Station battery charger x 2 & batteries	150 000.00			no	none	Financial constraints and time	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Strategic Spares	236 000.00	162 180.00	Yes		30 contacts and 30 blades	none	
Basic Services and Infrastructure Development	CT VT Units 11kv & 22 kV	-			no	none	Differed due to financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Air conditioners	100 000.00	75 793.26	Yes		15 air conditioners	none	
Basic Services and Infrastructure Development	Upgrading bulk supply Tshituni 2.5MVA	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Upgrading bulk supply Mudimeli	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Upgrading bulk supply Levubu Ribolwa	-			no	none	Funding constraints	differed to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Upgrade LV OHPL to UGPC EXT2 Multi Year	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Shefeera Line Circuit Breaker	200 000.00	180 790.00	Yes		2 circuit breakers	None	
Basic Services and Infrastructure Development	Upgrade Lev1	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Portable transformer testing equipment	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	66kV transformer bushings	120 000.00	48 300.00		no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Jack hammer	30 000.00			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	New offices and ablution at the Elect workshop	200 000.00			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Electrification in Eskom Areas (Tshikwarani/Muduluni)	7 000 000.00	5 249 979.70	yes		on progress	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Post Connections	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Radios	30 000.00	29 400.00	Yes		10 radios	none	
Basic Services and Infrastructure Development	Sets of tools for new electricians	200 000.00	180 786.48	Yes		6 sets of tools	none	
Basic Services and Infrastructure Development	Tools for metering protection & electrification	-			no	none	financial constraints	deferred to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
				Yes	No			
Basic Services and Infrastructure Development	Draw vices	30 000.00	25 890.75	Yes		8-lever waist, 20-nylon, 3 ton and 21 6 ton tie down	none	
Basic Services and Infrastructure Development	Come-a-longs	15 000.00	11 220.00	yes		6 come a long	none	
Basic Services and Infrastructure Development	Ladders	70 000.00	41 945.00	yes		7 ladders	none	
Basic Services and Infrastructure Development	Earth sets for working earth for electricians	-			No	none	Funding constraints	deferred to 2013/14 financial year
Basic Services and Infrastructure Development	3 x Chain saws	24 000.00	19 889.82	Yes		3 chain saws	none	
Basic Services and Infrastructure Development	Bush cutters/brush cutter	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Safety Harnesses	55 000.00	37 701.75	Yes		3 safety hannes	none	
Basic Services and Infrastructure Development	1 x Engine operated drilling machine	10 000.00	7 512.09	Yes		1 Engine	none	
Basic Services and Infrastructure Development	Compactors	500.00			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	4 x Engine operated power chain saws	20 000.00	14 809.08	Yes		4 Engine chain saws	None	
Basic Services and Infrastructure Development	Rebuild Emma Substation MV line	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	3 Chain saws	18 000.00		Yes		3 chain saws	None	
Basic Services and Infrastructure	6 x Telephone tree prunes (silky pruners)	30 000.00	R 12 458.16		no	none	financial constrains	differed to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Development								
Basic Services and Infrastructure Development	Transformers 22 000/400 volt: For Form6 Arc controllers	200 000.00			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x Generators	20 000.00			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x petrol portable drilling machine	10 000.00	7 512.09	Yes		1 machine	none	
Basic Services and Infrastructure Development	1 x portable lightweight welder complete	10 000.00			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x portable small compressor	3 000.00	1 795.00	Yes		1 compressor	none	
Basic Services and Infrastructure Development	1 x HT ratio tester (clamp type)	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x Chain saw	6 071.97	6 071.97	Yes		1 chain saw	None	
Basic Services and Infrastructure Development	3 x Telescopic tree prunes (silky prunes)	15 000.00	12 468.16	Yes		3 telescopic	None	
Basic Services and Infrastructure Development	1 x industrial drilling machine	10 000.00	1 298.00	Yes		1 machine	None	
Basic Services and Infrastructure Development	2 x Substation batteries and chargers	100 000.00			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Heavy duty palisade substation fencing	400 000.00		Yes		2(54x105)= 318 fence	none	
Basic Services and	Cable locator LV	80 000.00		Yes		1 cable locator	none	

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Infrastructure Development								
Basic Services and Infrastructure Development	Data loggers x 2	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Cargo Containers	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x 3.5 Ton Diesel truck (Transport electrification teams)	420 000.00	367 038.40		no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x Cherry picker	400 000.00	-		no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	3 x Idv	-			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x 8 Ton Truck with a crane 15T/m	-			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x 5 Ton truck 4 x 4 with cherry picker	-			no	none	financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x 7 Ton TRUCK	600 000.00			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	1 x 3.5 Ton Diesel truck (Transport Rural teams)	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	PMU management fees	-			no	management only	On schedule	position to be advertised in first quarter 2013/14
Basic Services and Infrastructure Development	Eltivillas Extension 1 tarring of streets 2.4km	6 000 000.00	4 019 521.61	yes		2.4km work in progress	None	
Basic Services and Infrastructure Development	Tshikota upgrading of streets 2km	7 000 000.00	6 206 513.65	yes		2km work in progress	none	

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Waterval streets rehabilitation 5.1km	8 900 974.00	8 274 459.79	yes		5.1km work in progress	None	
Basic Services and Infrastructure Development	Rehabilitation of Street, Eltivillas Business area 3.3km	5 801 522.00	5 232 923.04	yes		3.3km work in progress	none	
Basic Services and Infrastructure Development	Waterval Community hall 1200m2	3 000 000.00	798 336.36	yes		1200m2 work in progress	none	
Basic Services and Infrastructure Development	Dzanani Community hall 1200m2	5 000 000.00	4 464 528.71	yes		1200m2 work in progress	None	
Basic Services and Infrastructure Development	Mphaila access road and bridge 1.1km	5 000 000.00	4 541 948.48	yes		1.1km and 45m bridge WIP	none	
Basic Services and Infrastructure Development	Piesanghoek to khunda road 3km	4 642 000.00	5 252 567.81	yes		3km WIP	none	
Basic Services and Infrastructure Development	Sereni Themba to Mashamba Post Office Street 3km	6 500 000.00	5 693 971.22	Yes		3km WIP	none	
Basic Services and Infrastructure Development	Tshivhulana to tshilaphala road 3km	4 000 000.00	2 764 972.60	Yes		3km WIP	none	
Basic Services and Infrastructure Development	Tshikwarani road	250 000.00		Yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Gombita mandla fish oil street regravelling	250 000.00		Yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Robert Khosa to chabani road	250 000.00		Yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Tshivhazwaulu to Rasivheshela Barani street	250 000.00		yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Magau access road	250 000.00		yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Mulenga to matsa road	250 000.00		Yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Gogobole to sinthumule secondary road	250 000.00		Yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Xitacini to jeweni road	500 000.00		Yes		specification only	Delay in the approval of the specification	Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Upgrading of Sports Facilities	1 000 000.00	994 948.78	Yes		design complete bungeni and vuwani stadium	none	
Basic Services and Infrastructure Development	Tshakhuma landscaping and streets lights 1km	4 200 000.00	1 868 428.49	Yes		1km paving, lights WIP	delivery of streets lights	the municipality engaged with the manufacture to fast track the process of manufacturing of the lights
Basic Services and Infrastructure Development	N1 landscaping and streets lights	200 000.00			No	Awaiting SANRAL	This project is dependent on the approval of the Kingfisher N1 Inter Section, which is still to be approved by SANRAL	The meeting was held in SANRAL offices to resolve the issues with project Engineers and the problem is with SANRAL not prioritising the junction or approving the project
Municipal Transformation and Institutional Development	20 lockers	80 000.00	17 575.00	Yes		20 lockers	none	
Basic Services and Infrastructure Development	Maintenance of community halls (EPWP)	329 955.00	129 954.37		No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Refurbishment of stand by office in Eltivillas	-			No	none	Funding constraints	differed to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Refurbishment of Civic Centre	700 000.00	27 955.15	yes		tiling, panting	none	
Basic Services and Infrastructure Development	ablution facilities at workshop/stores and change rooms	200 000.00	31 326.12	Yes		5 toilets complete	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Refurbishment & Upgrading of Caravan Park	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	18x Grass Brush cutter/Weed-eater	180 000.00			no	none	Could not appoint due limited budget	differed to 2013/14 financial year
Basic Services and Infrastructure Development	3 x Pole prunes	30 000.00	24 000.00	yes		3 pole pruners	none	
Basic Services and Infrastructure Development	Parks Equipment's	80 000.00	30 680.24		No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Development of refuse transfer stations dzanani	1 500 000.00	921 325.00		No	none		Differed due to 2014/15 financial year
Basic Services and Infrastructure Development	Development of new landfill site	2 500 000.00		yes		appointment of Engineer	none	
Basic Services and Infrastructure Development	Operation to close existing landfill site	609 800.00	9 800.00	yes		WIP	none	
Basic Services and Infrastructure Development	Nakisani vhupo hashu waste management program	-		yes		30 workers appointed WIP	none	
Basic Services and Infrastructure Development	10 two way radio	40 000.00	20 850.00	yes		10 radios	none	
Basic Services and Infrastructure Development	Mutsetweni fencing of graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Sereni graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Balanganani graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Zamskoste graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Maelula graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Masakona graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Muhovhoya graveyard	-			no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Cheap and spray machine with gas cylinders x 4	-	-			none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Road tar cutting machine x 4	250 000.00	-		no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Hand roller compactor x 4	400 000.00	-		no	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	road signs	40 000.00	-		no	none	Funding constraints	differed to 2013/14 financial year
Municipal Transformation and Institutional Development	Cubicles for Cashiers	100 000.00	86 260.84	yes		8 cashiers	none	

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Municipal Transformation and Institutional Development	Mounted Cashier drawer	25 000.00			No	none	Funding constraints	differed to 2013/14 financial year
Municipal Transformation and Institutional Development	Fitting the security doors on the new admin building (vuwani)	10 000.00	9 900.00		No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Stand-by Generator electric POWER	-			No	none	Funding constraints	differed to 2013/14 financial year
Municipal Transformation and Institutional Development	Car port	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Fitting the security doors on the new admin building (dzanani)	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Stand-by Generator electric POWER	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Finalizing of construction public toilets				No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Design and construction research for extension of civic center	-			No	none	Funding constraints	differed to 2013/14 financial year
Municipal Transformation and Institutional Development	Engineering Study for south of Pretorius street( Makhado Town)	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Engineering Study for sites next to R522 road ( Makhado Town)	-			No	none	Funding constraints	differed to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Engineering services vuwani (designs)	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Engineering Dzanani (designs)	-			No	none	Funding constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Madombitsha Ext 2/Tshioswi. (Rolled over from last year)	110 270.71	110 270.71	yes		53 connections WIP	none	
Basic Services and Infrastructure Development	Tiyani (Rolled over from last year)	863 846.10	863 846.10	yes		453 connections	none	
Basic Services and Infrastructure Development	Murunwa (Rolled over from last year)	137 210.54	137 210.54		No	none	Under estimation of the scope of work by the engineer	the municipality to consider termination of services of the contractor/Engineer
Basic Services and Infrastructure Development	Masekane/Woyozza2 (Rolled over from last year)	R 380 153.04	R 380 153.04	yes		75 connections	No funds available to pay for service provider.	None
Basic Services and Infrastructure Development	Vleifontein & Parkview (Rolled over from last year)	R 96 637.67	R 96 637.67	yes		196 connection	none	
Basic Services and Infrastructure Development	Magau Ext	2 606.00	2 606.00		no	None	Financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Sane Ext	2 606.00	2 606.00		no	None	Financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Manavhela Ext	4 633.44	4 633.44		no	None	Financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Afton Ext	-			no	None	Financial constraints	differed to 2013/14 financial year
Basic Services and Infrastructure Development	Rahamantsha Ext	27 724.30	27 724.30		no	None	Financial constraints	deferred to 2013/14 financial year

Key Performance Area	Project/Programme	Adjusted Budget	Expenditure	Achievements (Yes/No)		Progress Made	Challenges	Intervention
Basic Services and Infrastructure Development	Gogobole Ext	2 803.01	2 803.01		no	None	Financial constraints	deferred to 2013/14 financial year
Basic Services and Infrastructure Development	Riverside Ext	1 303.00	1 303.00		no	None	Financial constraints	deferred to 2013/14 financial year
Basic Services and Infrastructure Development	Executive Committee Chamber Network/Electrical Points	-			no	None	Funding constraints	deferred to 2013/14 financial year

