

GREATER LETABA MUNICIPALITY



ANNUAL REPORT 2013/2014



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CHAPTER 1

MAYOR'S FOREWORD AND EXCECUTIVE SUMMARY

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1.MAYOR'S FOREWORD

The time to pause and reflecting on the successes and challenges of our service delivery mandate has arrived. It is an honour and privilege to present the annual report of the Greater Letaba municipality for the 2013/2014 financial year. This report is published in terms of the Municipal finance Management Act No 56 Of 2003; it is a culmination of decisions which were taken by the council for the year under review.

It is fundamental to indicate that transparency is one of the trademarks of democratic South Africa and Greater Letaba municipality is no exception. As we consistently report every year, the Annual Report has outlined the state of the municipality. It also unveils the activities we have undertaken to achieve the predetermined objectives set out in the IDP, against the approved budget. It has also touched on key issues which the Auditor-General has highlighted for ratification in the Auditor-General Report for 2013/2014 financial year.

The Annual Report aims at enhancing governance, transparency and promoting accountability. It is a means of ensuring on-going planning, monitoring and evaluation which begins with the formulation and annual review of the Integrated Development Plan (IDP).

In line with section 152 of the constitution, the Annual Report looks on the period under review, measures the performance of the municipality in range of areas and presents an opportunity to citizens and stakeholders to assess the progress of the municipality. The different spheres of community development such as education, healthcare and a variety of socio-economic activities are espoused in this report.

In conclusion, citizens and stakeholders are invited to study the Annual Report so that when the time to give feedback comes, they do so in an informed manner. This will strengthen our ability to deliver services as we forge ahead.

CLLR MODJADJI G.H
MAYOR

1.2. MUNICIPAL MANAGER'S FOREWORD

Greater Letaba Municipality strives to undertake developmentally oriented planning as enshrined in the Constitution and section 23 of the Municipal Systems Act, No.32 of 2000. Guidelines and regulatory frameworks have been developed to enable municipalities to adopt a result-based approach to manage service delivery. Different mechanisms were employed to monitor and assess the achievement of general key indicators, performance targets that are consistent with development priorities, objectives and strategies as set out in the Integrated Development Plan. Auditing of performance measurements was conducted and assessment will be concluded in due course.

It is therefore imperative to reflect on improvements made to service delivery performance and achievements, challenges which will subsequently determine the corrective actions to be embarked upon to enhance service delivery in the 2013/2014 financial year.

i)Service Delivery

In fulfilling the constitutional mandate, it was imperative that the municipality align services to the IDP indicators and council priorities. The municipal strategic objectives were reviewed in such a way that they are in line with the IDP analysis phase. Proposed programmes, projects and IDP Key Performance Indicators are in line with the municipal strategic objectives as outlined in the table of strategic guidelines of the IDP document.

ii)Transformation and Institutional development

The municipality operated with a total of four functional departments, namely, Infrastructure Development and Planning, Community Services, Corporate Services, Budget and Treasury Office and Municipal Manager's office. The staff establishment was amended and adopted with the IDP and the budget. Out of a total of 267 posts that are in the approved staff establishment, 195 are filled. Only critical positions were prioritized due to austerity measures. Austerity measures were mainly focussing on cost reduction on filling of posts, travelling, accommodation, catering for meetings and events, transport and overtime. Training interventions were fully implemented and the 100% target was achieved.

iii)Local Economic Development

Growing the economy is government's utmost priority. The municipality contributed to growing the economy by creating 855 job opportunities within the municipal area through

Community Work Programme and internal projects. The tourism centre has been completed which will complement the municipal vision.

iv)Financial Management

The municipality updates its valuation roll on a regular basis for revenue enhancement. There are glaring improvements in the Supply Chain Management unit which is attributed to recruitment of appropriate human capital. Improvement in supply chain division contributed enormously to delays in implementing projects which will be rolled over to the 2014/2015 financial year due to action taken to correct identified flaws in the bid documents.

v)Governance structures

All governance structures, namely, Council, EXCO, section 80 and 79 committees, MPAC, audit and ward committees were fully functional. The risk management committee has been constituted and risk assessment was conducted and culminated in the development of the risk register. The IDP representative forum was consulted throughout all the phases of the IDP.

Key Challenges for the 2013/2014 financial year

Despite the achievements alluded to here above, there were challenges cutting across the key performance areas. The challenges included the following:

- High level of vacancies which took a long time to fill especially key positions such as Director: Corporate Services and Chief Financial Officer; although employees were appointed to act in critical positions.
- The municipality has not achieved the targets as planned on SDBIP.
- Contract Management
- PMS not cascaded to lower levels.
- Asset management.

The municipality performs functions that are outlined in the Integrated Development Plan of the municipality. The IDP and the budget with pertinent policies were adopted and implemented. Performance management system for section 54 and 56 managers is in place. Challenges that were encountered in carrying out of municipal functions through implementation of the IDP and SDBIP will be depicted in the report.

The municipality fulfilled its obligation of preparing financial statements and the audit was conducted which resulted in a qualified audit opinion which is an improvement compared to the disclaimer audit opinion in 2012/2013. Endeavours were made to address issues raised in the Auditor-General report

While the revenue base of the municipality has never improved since 1994, financial management of the municipal budget has improved tremendously. that the municipality competes and leads other municipalities in the district and provincially. The municipality through the management team and all employees strive to promote the principles of efficiency, effectiveness and economy. The municipality was able to account to other spheres of government on grants allocated to the municipality during the financial year despite the fact that the chief financial officer has not yet been appointed.

The municipality received all its allocations but didn't manage to collect own revenue as projected hence the adjustment budget in February 2014. Few projects had to be taken out of the budget during budget adjustment. The municipality had consistently paid the loan with DBSA throughout the financial year.

The 2012/2013 status quo remained on section 54 and 56 manager's positions. The institution continued with appointed qualified employees who strived to perform their roles despite challenges of their levels which they were occupying on appointment.

The municipality conducted risk assessment and developed a risk register Out of the top 5 risks, 3 were resolved and 2 were still outstanding.

T.G MASHABA
MUNICIPAL MANAGER

1.3. MUNICIPAL OVERVIEW

Greater Letaba Municipality is composed of the following hubs: Sekgopo, Sekgosese, Mokwakwaila, Ga-Kgapane and Modjadjiskloof where the main Office is situated. The Municipality's main economic focus for turning around the local economy is through tourism (baobab tree, Modjadji dynasty and Nature reserve), agriculture, forestry and agro-processing industries.

Community consultation as championed by the Speaker's Office, Cllr. R.R Ramalatso and Mayor's Office, Cllr. G.H. Modjadji is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2013/2014 financial has seen Greater Letaba Municipality expanding its service delivery in terms of infrastructure development through paving of gravel roads and erection of highmast lights in rural areas.

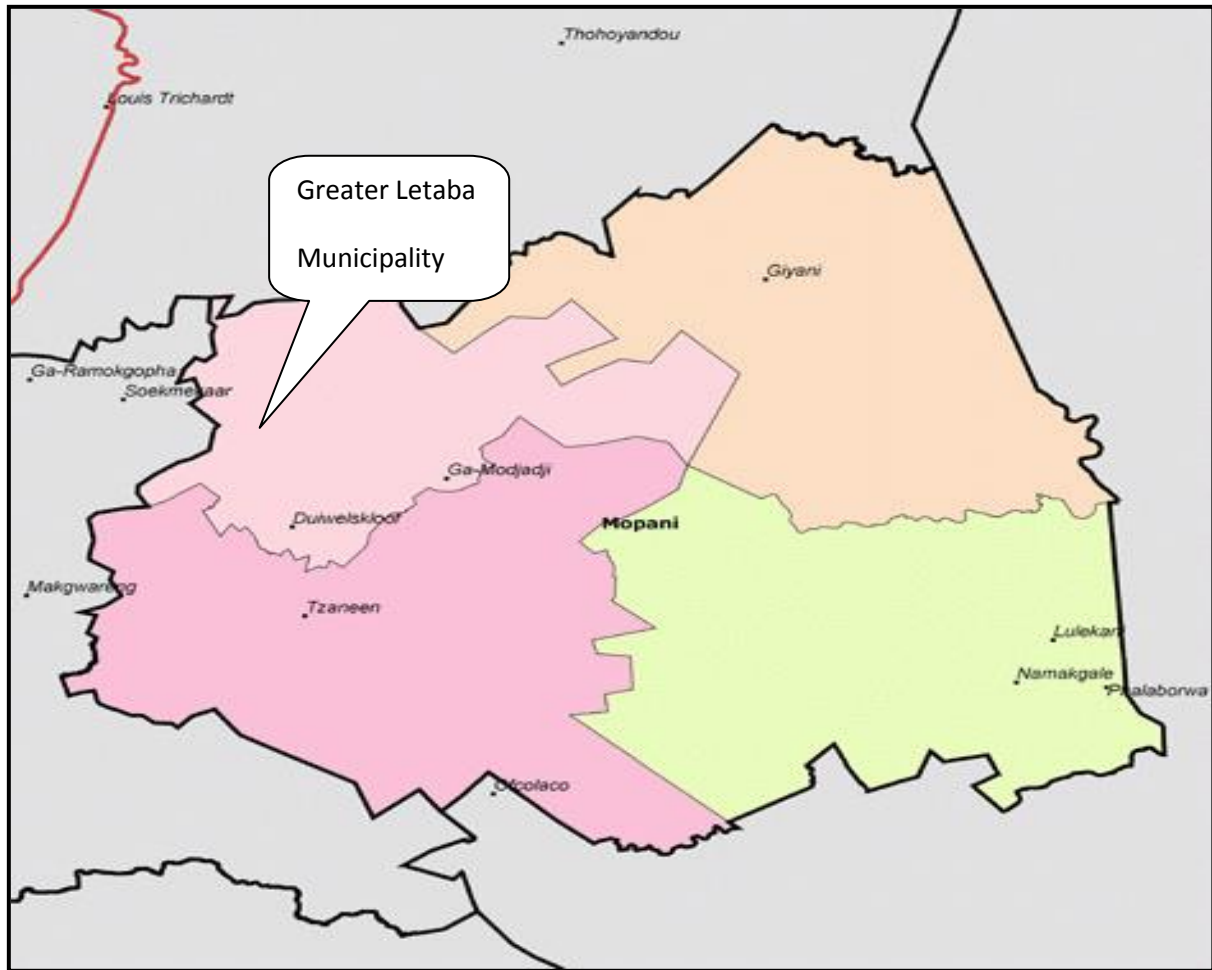
The Greater Letaba Municipality continued with its mandate to create jobs to its local community through EPWP projects as outlined in the report. During the IDP/Budget process our community has again given the municipality a mandate to continue to implement projects in line with Government priorities, hence the infrastructure development has again came out as the main priority of the municipality. With all these achievements, the municipality has finalised the recruitment and selection processes for appointment of the Chief Finance Officer to enhance compliance with the Municipal Finance Management Act.

The Municipality's sewerage system in Modjadjiskloof is still managed through a suction tanker. The Mopani District Council had developed the water borne sewerage system which is partially functional due to reluctance by residents to do house connections. The municipality has since the completion of the sewer project allocated budget on annual basis for revamping of the streets damaged during construction.

1.3.1 A short description of the municipality

Greater Letaba Municipality (GLM) is located in the north-eastern part of the Limpopo Province in the jurisdiction area of Mopani District Municipality. Greater Letaba Municipality shares borders with Greater Tzaneen Municipality in the south, Greater Giyani Municipality in the east, Molemole Municipality in the west and Makhado Municipality in the north as depicted in the map:

Figure 1.1: Greater Letaba Municipality map



Greater Letaba Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld). Although resources within the boundaries of the Municipality are scarce, the proximity of natural resources (dams, tourist's attractions, intensive economic activity, and nature reserves) to the borders of the municipality creates the opportunity for capitalization.

The "gates" to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². The Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are also 131 rural villages within the municipal area.

1.3.2 Social Analysis

The socio-economic analysis will focus on the population size, age and gender profiles as well as the educational levels of the population. Information on the Socio-economic status of Greater Letaba Municipality was mainly gathered from census conducted by STATSSA in 2011. The majority of the municipal population is indigents.

1.3.3 Demographics

1.3.4 Population and Household Size

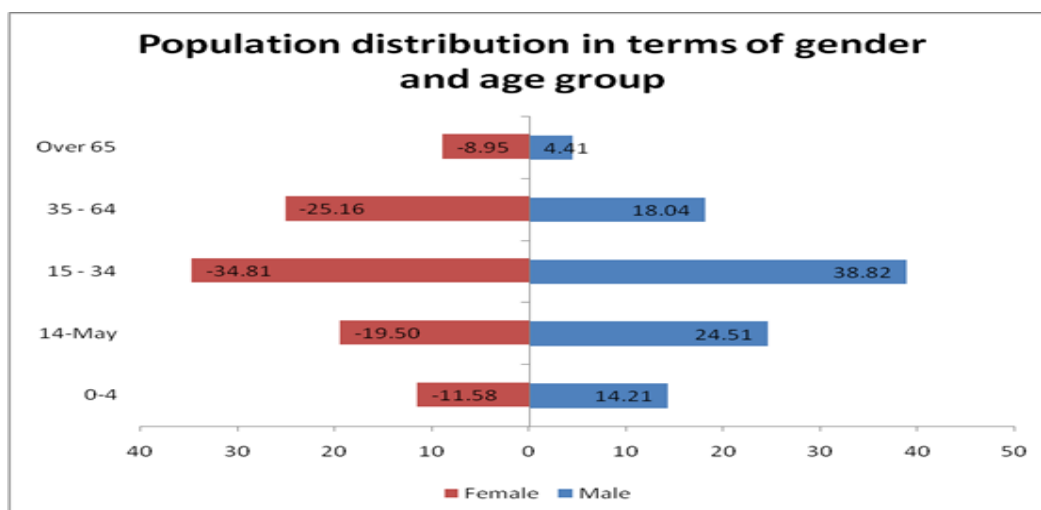
Table 1.1: Population distribution in terms of Gender and Age Group

Population		Households	
Census 2001	Census 2011	Census 2001	Census 2011
247 739	212 701	59 539	58 262

1.3.5 Age and Gender Profile

The population is very young with 36.8% of the people younger than 35 years of age. From the Pyramid below, it is evident that, in the age group 15-34 the percentage of males is high as compared to females. While in the age group 35-64 there is high percentage of females than males.

Figure 1.2: Population distribution in terms of gender and age group



Source:
Census
2011

1.3.6 People with Disability and types of disability

Greater Letaba Municipality has 212 701 people with disability.

Table 1.2 Disability by type

Types of disability	Total
Sight	185 393
Hearing	191 377
Communication	190 227
Physical	167 834
Intellectual	186 936
Emotional	10 821
Multiple	N/A

1.3.7 Educational Profile

Education level: **About 28, 5 % of the population in Greater Letaba Municipality has no educational background.**

Table 1.3: Levels of education in Greater Letaba and Mopani District

LEVEL OF EDUCATION	GREATER LETABA	%	MOPANI	%
Grade 1/sub A (completed or in process)	7627	5.6	31711	5.4
Grade 7/standard 5	15877	11.7	64097	10.9
Grade 11/standard 9/form 4/NTC II	15919	11.8	68420	11.7
Attained grade 12; out of class but not completed grade 12	6419	4.7	30580	5.2
Grade 12/Std 10/NTC III (without university exemption)	10159	7.5	52920	9.0
Grade 12/Std 10 (with university exemption)	754	0.6	10195	1.7
Certificate with less than grade 12	1430	1.1	10497	1.8
Diploma with less than grade 12	1562	1.2	7780	1.3
Certificate with grade 12	952	0.7	6448	1.1
Diploma with grade 12	2777	2.1	13095	2.2
Bachelor's degree	1479	1.1	6879	1.1
BTech	78	0.1	999	0.2
Post graduate diploma	317	0.2	2431	0.4

Honour's degree	459	0.3	2043	0.3
Higher degree (masters/PhD)	72	0.1	1127	0.2
No schooling	38459	28.5	146863	25.1
Out of scope (children under 5 years of age)	28068	20.8	113316	19.4
Unspecified	2334	1.7	8115	1.4
Institutions	494	0.4	8476	1.5
Total	135165	100	585991	100

Source: 2011, STATSSA.

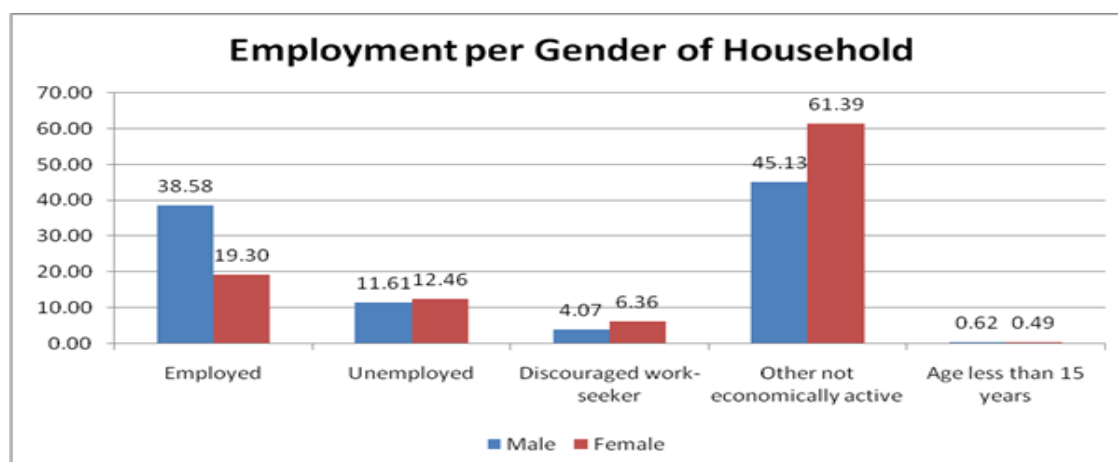
The percentage of illiteracy is estimated at 28,5%, which shows a decline in the level of illiteracy by 17,3%. The progress thereof is satisfactory; the level of illiteracy is still worrying since it impacts on the employability of the population. The number of existing schools in the municipality is inadequate some of them being in poor conditions.

Areas affected are: Mohokoni, Hlohlakwe, Mothobeki, Taulome, Madumane, Nkwele-motse, Mandela Park, Makaba, Chabelang B, and Motlhele.

1.3.8 Employment Profile

The graph below presents the employed population of Greater Letaba according to gender of households. The statistics on the graph below shows that 9719 of male people are employed as compared to small number of 6383 of female people. Female people, unemployed, discouraged work-seeker and economically inactive are mostly affected as indicated on the chart below.

Figure 1.3: Employment per gender of household



Source: Census 2011

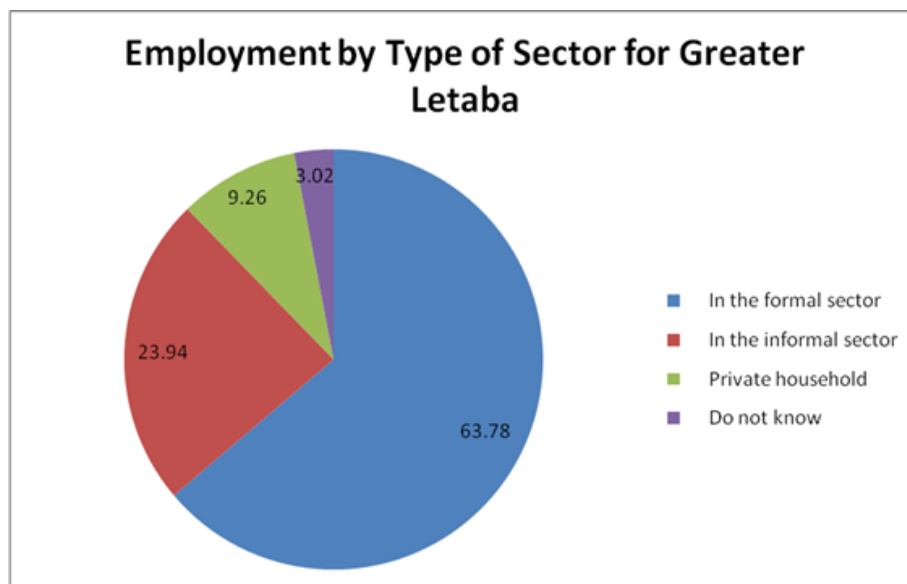
1.3.8.1 Employment and Unemployment Rate

The percentage of people employed by formal sector is high and constitute 63.78 % followed by informal sector with 23.95 %. The Pie chart also indicates that private households contribute 9.26 % of employment.

1.3.8.2 Employment Distribution type per sector

The percentage of people employed by formal sector is high, 63.78 % followed by informal sector with 23.95 %. The Pie chart also indicates that private household contributes 9.26 % of employment.

Figure 1.4: Employment by type of sector



Source: Census 2011

The municipality contributes 16% of the agricultural sector of the District. More importantly the agricultural sector is one of the major employers in the municipality, and it is continuing to grow as an employment generation. The agriculture sector is also known as important employer at district level, employing more than 23% of the District workforce. Emerging black farmers with potential for economic growth are hampered by lack of funding and therefore need financial assistance.

The most important factor limiting agricultural production and development in GLM is the shortage of water. This is also experienced by the majority of people in the Province, which is

located in the dry Savannah sub-region. In general the province experience hot summer and mild winters, with the average annual rainfall ranging between 300-400 and 600 mm. The province also encompasses a wide range in respect of its topography, with its elevation varying between 600m-900m above sea level. Large portion of the municipality has land capabilities of moderate potential arable land, concentrated mainly in the central parts of the municipality. Much of this land is currently in private ownership and is already utilised for cultivation.

The Northern and North Western parts of the municipality mainly have land capability of marginal potential arable land and non-arable, low to moderate potential grazing land. These parts are almost extensively under Traditional Authority custodianship and may be available for further development through negotiations.. However, given the largely limited potential for cultivation, further development potential in these parts of the municipality are fairly limited ,allowing mainly for grazing purpose. Despite this, there are number of plant option that could be considered for production in the municipality and need to be explored further. Since most environmental factors that determine the habitat of specific crops can only be controlled or changed on a very small scale (or not at all)by the farmers. Crops that are adaptable to the environment should be chosen by the farmers. Commercial farming in GLM comprises mainly of mangoes, citrus and avocados, with litchis and nuts also being farmed in the regions surrounding the municipality on a commercial scale. The largest tomato farm in Southern Africa, ZZ2 is located in the Mooketsi valley within the municipal area.

(a)Forestry sector

The location of forestry plantations in the southern parts of the Municipality creates opportunities for the beneficiation of timber products from these plantations. Forestry plantations in the Municipality are mainly owned by Mondi, Montina and the Hans Merensky Trust, with these companies largely undertaking processing enterprises themselves. Other existing processing undertaken in the Municipality includes sawmills and the dipping and production of electrification poles. The location of these timber plantations within the municipal boundaries also allows further value-adding opportunities through the manufacturing of timber construction materials. These products could include timber beams and trusses, window and door frames, wooden flooring etc. The production of these construction materials could be of particular value in serving the local communities.

Possible further value-adding activities related to the timber plantations could also include the establishment of a furniture factory in Modjadjiskloof, close to the timber plantations.

Support should be given for the establishment of SMMEs in the timber manufacturing industry and could include enterprises such as small scale furniture and coffin making.

(b)Tourism sector

GLM draws its comparative and competitive advantage from tourism. This is mainly because of the vast potential in terms of suitable resources in the municipality. The potentials are reflected hereunder.

- Rain Queen (Queen Modjadji)
- The biggest Baobab tree in Africa with a bar inside
- The African Ivory route that passes through Modjadjiskloof
- Modjadji Nature reserve, with the Modjadji (Encephalartos Transverse Cycad Forestry only found here)
- Modjadji Lodge (Lebjene)
- Vast tomato plantations of ZZ2
- Modjadjiskloof waterfalls
- Mooketsi Area
- Caravan Park
- Ga-Kgapane Park
- Walking trails
- Montina tomato plantation
- Grootbosch
- Manokwe Caves
- Scented Garden (Garden for the blind)
- Modjadji Museum
- Nahakwe Mountains Lodge

1.3.8.3Economic opportunities offered by Greater Letaba Municipality

Given the strong Agricultural sector in the region and the fact that many of the agricultural inputs are sourced from areas outside the municipal boundaries, opportunities arise for the trade of these inputs. This includes inputs such as fertilisers, pesticides, machinery and seeds or seedlings. Many of these inputs are obtained from Tzaneen, but could also be sold within the municipal area, to easy accessibility and proximity to the farming areas.

Traders in the Municipality currently buy their stock from wholesalers in the larger activity centres such as Tzaneen and Polokwane, as there is a shortage of wholesalers in the area. A limiting factor to the development of further wholesale activities in the southern parts of the

municipal area is the proximity and easy access to the well-established trade sector in Tzaneen, which would generate a high level of competition. However, the remainder of the municipal area is quite remote and far removed from the larger activity centres, making it more difficult and expensive to obtain goods from wholesalers in Tzaneen. The establishment of wholesalers in these areas would therefore be more viable and could result in the establishment of further retail facilities.

The presence of plantations in the area creates opportunities for the manufacturing of arts and crafts products. There are also a few sewing activities taking place in the rural areas. Together, these commodities create opportunities for the establishment of an art and crafts market, particularly in view of the growth of the tourism market in the region.

1.3.8.4 Challenges and Constrains

Constraints identified by different role players in terms of the barriers to the expansion and development of key economic sectors within Greater Letaba Municipality include the following:

(a) Land claims: Approximately 48% of the land within the boundaries of the Municipality is currently subjected to land claims. The process of land claims is lengthy and has as yet not been resolved by the Land Claims Commission. This does not only create a high level of uncertainty with regard to existing commercial farmers and their ability to expand or employ more people, but also creates an uncertain climate that deters investment in the area.

(b) Lack of funding or financial support: Another constraining factor in respect of development in Greater Letaba Municipality is related to the large areas of land (approximately 50%) registered in the name of the state and under the custodianship of traditional authorities. As such, small farmers are farming on communal land, to which they cannot get title deeds, but only have permission to occupy. Therefore, farming on communal land precludes small farmers from obtaining financial support through commercial institutions such as banks, which prevents these farmers from expanding their farming enterprises or obtaining the necessary resources such as specialised machinery. Furthermore, access to funding, even for minor, necessary improvements to public and private sector products in the tourism industry, is extremely difficult to secure.

(c) Proximity to Tzaneen: While the proximity of the larger activity centre of Tzaneen is advantageous in some respects, it does somehow constrain the development of the business and services sectors in Greater Letaba Municipality, particularly in the southern parts of the municipal area. Due to the good transport linkages, easy access and close proximity of Tzaneen, large and well-established suppliers and support services are within easy reach of farmers and other industries creating the perception that there is no further need for the development of these facilities locally.

(d) Lack of skills: The majority of the labour force in Greater Letaba Municipal area has no, or very limited basic skills, necessitating on-the-job training. Training is particularly necessary in the further processing of fruit and vegetables and in the timber industry, which requires somewhat higher skills levels. The lack of these skills largely constraints the further development of manufacturing and agro-processing industries in the municipal area. Municipality has agricultural and tourism opportunities to tap in. In this respect, there is a particular challenge in terms of the transfer of skills and mentorship from successful business people to entrepreneurs and small business owners. Many of the small-scale farmers are also illiterate to some extent and a few lack the knowledge in respect of writing business plans for their businesses. This is also the case for tourism development, where no sufficient practical support is given to emerging tourism entrepreneurs or SMMEs in terms of pre-feasibility, feasibility and business planning.

(e) Access to markets: Most of the small-scale farmers and manufacturers do not have access to the larger markets outside of the municipal area, or even their respective villages. This forces them to sell their products to the local communities and prevents the expansion of their businesses. Access to markets for small-scale farmers is further constrained by accessibility issues and the poor condition of roads in the remote rural areas. The municipality envisages developing the shopping complexes at Kgapane and Senwamokgope.

(f) Agricultural potential and lack of adequate water: A further constraining factor is the lack of water, particularly in the northern parts of the Municipality. Many of the small-scale farmers are located alongside perennial rivers, but a large proportion of farmers are located away from these rivers. The water supply is not sufficient in terms of irrigation and many small-scale farmers therefore rely on dry-land farming. Furthermore, the main agricultural products only naturally occur in the southern parts

of the municipal area and agricultural production and expansion would therefore not be viable development options for the northern areas of the Municipality, which have a drier climate.

(g)Lack of industrial estate: In terms of manufacturing, a major constraining factor is the lack of a defined industrial area in the Municipality, with some manufacturing plants being located among the business premises in Modjadjiskloof. Furthermore, industrial plants in Greater Letaba Municipality do not receive preferential rates in respect of electricity and water, but are paying urban rates. The establishment of an industrial estate with incentives for development could attract factories and other manufacturing industries to the Municipality. Politsi Industries and surrounding areas were shifted to Tzaneen after the Municipal Boundaries Demarcation in 2000.

(h)Lack of tourism infrastructure: GLM does not currently have a large range of accommodation, conference or tourism facilities, which hampers the development of the tourism sector in the Municipality. The town of Modjadjiskloof also has very little to offer as a place to stop for refreshments or supplies. In addition, if a critical mass of attractive and innovative products are not created at Modjadji, and adequately marketed, the few products that have been created will fail to perform in the highly competitive situation that prevails in South African tourism as a whole. Furthermore, the lack of coordination in terms of an integrated tourism development plan for Modjadji is a serious threat, which could result in one of Limpopo's most important tourism icons never reaching its full potential.

(i)Lack of financial institutions: Financial institutions in Greater Letaba Municipality are lacking, with banking facilities being limited to an FNB branch in Modjadjiskloof, with only a few ATM's being located elsewhere in the Municipality. As such, local people and business owners will travel to Tzaneen for banking services. This not only constrains the effective operation of local businesses, but also results in spending of money outside the Municipality, as residents conduct multi-purpose trips, combining trips to banking facilities with major shopping in the areas surrounding these financial institutions.

(j)Lack of tourism awareness: There are very low levels of awareness regarding the tourism industry amongst local communities, which results in communities not fully understanding the value of the tourism industry, not generally having a positive and friendly attitude towards visitors, and not being aware of what opportunities the

industry presents in terms of SMME involvement. Valuable heritage resources such as historical sites, as well as the local legends, oral history and indigenous knowledge systems are in many instances also not conserved and may be lost in the short term to the tourism industry, and, in the longer term, to the nation as a whole.

1.3.9. Economic Trends

The inputs into the trade industry relate mainly to the products that are sold by traders. Formal traders, particularly those located in Modjadjiskloof, are to a large extent part of chain shops, with products obtained mainly from Gauteng. Other smaller formal traders obtain the products they sell from wholesalers in activity centres such as Tzaneen and Polokwane.

As discussed above, informal trading is to a large extent focused on agricultural produce, which is obtained from the local farmers and farmers in the surrounding municipalities. Other products sold by informal traders, Tzaneen and Polokwane. Larger businesses, which are mainly located in Modjadjiskloof, also do not have a very large off-set market. However, as Modjadjiskloof is one of the larger urban areas in the Municipality, products are not only sold to the immediate surrounding population, but also attract people throughout the Municipality. Very few retail products are sold outside of the municipal boundaries. This indicates that the municipality's catchment area is very narrow.

1.3.9.1. Local skill Base

Greater Letaba Municipality should concentrate on two priority sector, namely agriculture. There is general shortage of skills in this sector. The municipality relies on the Department of Agriculture for agricultural technical skills. On tourism, most private operators have skills and most blacks appointed by these operators have no skills. The municipality has developed a bursary scheme in order to develop local skill base on these economic sectors mainly to the previously disadvantaged people.

1.3.9.2. Household Income

Approximately 8407 of Greater Letaba Municipality households have no income; they depend on social grants and free basic services from the municipality. The table below presents household income in Greater Letaba Municipality.

Table 1.4: Income per households

Income per household	GLM No	GLM %	MDM No	MDM %
No Income	8407	14.4	41986	14.2
R1 – R4800	4928	8.5	22715	7.8
R4801 – R9600	9260	15.9	41073	13.9
R19601 – R19 600	15128	26	70027	23.6
R19 601 – 38 200	12212	21	60769	2.1
R38 201 – R76 400	3814	6.5	24467	8.3
R76 401 – R153 800	2170	3.7	15631	5.2
R153 801 – R307 600	1419	2.4	11625	4
R307601 – R614 400	630	1.1	5834	2
R614 401 – R1 228 800	132	0.2	1300	0.4
R1 228 801 – R2 457 600	76	0.1	446	0.2
R2 457 601 or more	84	0.1	445	0.2
Unspecified	2	0.1	3	0.1
Total	58 261	100	296 321	100

Community Survey 2011, STATSSA

1.3.9.3. Jobs created by LED 2013/2014

Although Greater Letaba Municipality played a role in terms of job creation but by and large most areas are still affected by poverty and unemployment. Therefore it is important for municipality to facilitate and coordinate LED initiatives which will assist in job creation and poverty alleviation.

Table 1.5: Jobs created by LED initiatives 2013/2014

NAME OF COMPANY	LOCATION	NO OF JOBS CREATED	GENDER
Lebaka Sports Complex Phase III	Lebaka	29	09 females 20 males
Shaamiriri Sports Complex Phase I	Mpepule	38	05 females 33 males
Sekgopo Sports Complex Phase III	Sekgopo	52	10 females 42 males
Senwamokgope Stadium II	Senwamokgope	36	08 females

			28 males
Rehabilitation for Modjadjiskloof Streets Phase 3	Modjadjiskloof	10	03 females 07 males
Mandela Barlow Street Paving	Thibene	31	00 females 31 males
Makaba Street Paving	Makaba	06	05 females 01 males
Mapaana Street Paving	Mapaana	45	31 females 14 males
Mokwakwaila Stadium	Mokwakwaila	39	14 females 25 males
Highmast Lights in various villages	Las Vegas, Rapitsi, Makaba, Raphahlelo, Phooko, Lemondokop, Itieleng Ga-Pheeha, Motlhlele, Ratjeke, Mamanyoha, Bellevue, Nakampe, Mpepule, Madumeleng, Seatlalleng, Ramaroka and Mohokone	54	48 females 06 males
Malematja street paving phase 2	Ga-Malematja	09	06 females 03 males
Lebaka sports complex	Lebaka	01	00 females 01 males
Modjadjiskloof sidewalks	Modjadjiskloof	05	05 females 00 males
Kgapane sidewalks	Ga-Kgapane	07	01 females 06 males
GLM EPWP Maintenance project	All Wards	115	83 Females 31 males
Khumeloni Youth Cooperative	Mokwakwaila	08	03 females 05 males

Table 1.6: Jobs created by private sector 2013/2014

COMPANY 'S NAME	LOCATION	NUMBER OF JOBS CREATED	GENDER
Agriculture and Agro-processing			
Baardedood Trust Farm	Lemondokop	7	4 women, 3 males
Tiger Brand	Modjadjiskloof	180	98 Youths, 35 males , 135 females
Westfalia estate	Modjadjiskloof	174	77 youth, 56 females, 124 males
Steve Mohale Farm	Mamokgadi	64	4 youth & 30 female, 30 males
Khulani Timbers	Modjadjiskloof	112	64 youths & 48 males ,164 males
KFC	Modjadjiskloof	9	9 youths 4 males ,5 females
Spar	Modjadjiskloof	24	12 youth & 8 females, 16 males
Boxer Super Store	Kgapane	23	10 males & 13 females
Universal Pallets	Modjadjiskloof	42	18 Youths & 5 females 37 males

Russels Store	Modjadji Plaza	11	1 youths, 4 Females,males7
NedBank	Modjadji Plaza	11	3 youth, 5 Females ,6 males
Roots Store	Modjadji Plaza	32	10 youths, 12 Females, 20 males
Fashion World	Modjadji Plaza	3	1 youths, 1 Females,2 males
Barnett's	Modjadji Plaza	13	1 Youths, 5 Females,8 males
Jet Store	Modjadji Plaza	5	1 Youths, 1 Females ,4males
PEP Store	Modjadji Plaza	5	2 Youths & 3 Females,2 males
Fuji Express	Modjadji Plaza	3	1 Youths, 1 Females, 2 males
King Pie	Modjadji Plaza	4	1 Youths, 1 Females ,3 males
Shoprite Supermarket	Modjadji Plaza	167	80 Youths, 43 Females, 127 male
FNB	Modjadji Plaza	6	2 Youths, 2 Females,4 males
Price n Pride	Modjadji Plaza	13	3 Youths, 5 Females,8 males
OK	Modjadji Plaza	10	3 Youth, 4 Females,7males
Nizams	Modjadji Plaza	6	2 Youths, 2 Females,4males
KFC	Modjadji Plaza	19	3 Youths, 10 Females,9 males
Imp Inn	Modjadjiskloof	6	2 youth & 4 males,2females
Silvermist Guest House	Modjadjiskloof	3	1 Youth & 1females ,2 males
Gerry's Motel	Maphalle	4	3 youth ,2 males ,2 females
Blue Hills	Mooketsi	6	5 Women,1 males
Mahlao Textile (Arts and Craft)	Kgapane	3	2 Youths & 23 females
Modjadji Nature Reserve & Cycad Nursery	Sehlakong	14	2 Youth & 10 females 4 males
Bakwena Motel	Mokwakwaila	4	4 youth
ZZ2 Farm	ZZ2	785	425 Youth,360 males,425 females
Montina	Montina Farm	456	206 Youth, 250 males, 206 females

Local Economic Development SWOT Analysis is highlighted below.

Strength	Weakness
Functional portfolio committee LED strategy Tourism strategy Investment strategy	Lack of tourism awareness None implementation of strategies Shortage of funding
Opportunity	Threats
Tourism Agriculture Forestry	Land claim Crime Vandalism Climate change

1.3.10. Infrastructure Analysis

1.3.10.1. Multipurpose Community Centres

There are two multipurpose centres at Mokwakwaila and Soetfontein. These multipurpose centres play a critical role in ensuring that information regarding government activities is made accessible to the community. Key elementary services by government and parastatals are provided to communities through the centres.

1.3.10.2. Water

The general state of water supply within the municipal area is not up to standard and therefore requires urgent intervention to improve the situation. The municipality often experiences unfortunate situation whereby communities are obliged to utilise contaminated water collected from natural sources like rivers and springs for domestic use, which is health hazardous. Cases of Bilharzias diseases have been reported in areas like at Lemondokop as a result of contaminated water being used by desperate community members. It is imperative that additional water supply resources be provided and also that the existing resources be extended and refurbished with the assistance of the Mopani District Municipality (MDM) which is the Water Services Authority (WSA) in the area. GLM is the Water Services Provider (WSP) according to the agreement signed with the MDM in the 2011/2012 financial year.

The following are the sources of water in Municipality.

•Politsi Water Supply Scheme

The main source of water for the scheme in question is the Politsi Water Purification plant which is located approximately 5km South-East of Modjadjiskloof within the jurisdiction of Greater Tzaneen Municipality. The plant has the capacity of 5,4 ML / day to supply Mokgoba, Modjadjiskloof, Ga-Kgapane and surrounding farms. The plant capacity is not sufficient to meet the water demand in the benefiting areas.

The size of reservoirs at Ga-Kgapane and Modjadjiskloof is 6 ML and 4, 7 ML respectively which represent 10, 7 ML of combined storage capability and that is above the capacity of the purification plant. The 4,5 ML Florida reservoir which is located within portion 8 of Kort Hannie Farm, South of Mokgoba village is the main water storage before distribution to Panorama and Ga-Kgapane reservoirs.

The establishment of new settlements in Ga-Kgapane and Mokgoba which were not present when the plant was designed also contribute to the inability of the Politsi plant to meet the current water demand. Lepelle Northern Water has appointed PG consulting to conduct Water Use Licence Applications (WULAs) for both Modjadji and Politsi Water Purification Plants, and also Ingerop Consulting Engineers for the upgrading of the plant to 12,5 ML/day in an attempt to resolve the challenge. The upgrading of the plant would not proceed until such time that the license has been approved in accordance with the Water Services Act 108 of 1997 by the Department of Water Affairs

Approximately 75% of Modjadjiskloof town is supplied with water through reservoir situated near Panorama. The premises in the town's CBD, Extension 4 suburb, Mokgoba and farms before and after Modjadjiskloof are supplied through a gravity feed from Florida reservoir.

The old purification plant in Modjadjiskloof has been abandoned since 1999/2000 floods when Modjadjiskloof raw water dam which was supplying the plant got silted with sludge that was eroded from the old Vergelegen mine. The sludge in the dam needs to be removed in order to revitalise the dam and consequently resuscitate the abandoned plant to supply Modjadjiskloof and this will enable Politsi Plant to supply enough water to Ga-Kgapane township which is currently undersupplied.

The raw water dam near Mamphakathi village needs to be explored with an intension of constructing a water purification plant or alternatively a package plant which can pump water to Ga-Kgapane reservoir approximately 2km west of that dam. There are reports that there was a purification plant near the dam in the 1960s and the outlet steel pipe from the dam is visible.

The existing reticulation network in Modjadjiskloof and Ga-Kgapane is composed of aged pipelines that are mostly of asbestos material which is scarce in the market and therefore prolongs turnaround time during repairs operation due to scarcity of the related fittings. The network needs to be replaced especially because the asbestos pipes are a health hazard.

The greatest challenge at Ga-Kgapane is on the basis that the existing 6ML reservoir situated at Meloding cannot be filled with water because of insufficient supply from Politsi purification plant. The sections like Extension 5, Lossmycherry, Meloding, New Town and Home 2000 are badly affected mainly because they are on mountainous topography which would require the reservoir to be filled with water in order to boost gravitational pressure. The reservoir is in good working condition since it was refurbished and sealed through an intervention by MDM.

The effort by MDM to augment water supply in Ga-Kgapane through provision of boreholes couldn't bear positive results because the water was not suitable for human consumption due to turbidity content that is above Class II of SANS 241.

•**Modjadji Water Supply Scheme**

The Modjadji Water Scheme has three (3) rural water supply schemes (WSS) basically referred to as sub-schemes and are situated within the Bolobedu area and are:

- Upper Modjadji Rural Water Supply Scheme
- Worcester / Polaseng / Mothobeki rural water supply
- Lower Molototsi rural water supply scheme

The above sub-schemes receive bulk water supply from Modjadji Water Works which was upgraded from the capacity of 9, 0 ML to 12, 0 ML per day in the 2009/10 financial year by the Mopani District Municipality.

•**Upper Modjadji Rural Water Supply Scheme**

This Water Supply Scheme (WSS) incorporates villages between Ga-Kgapane and Matswi village starting from the tarred road D447 and proceeding along road D3180 for an approximate distance of 20km in the North East direction from Modjadjiskloof. The area is supplied through bulk water supply from Modjadji Water Works, boreholes equipped with diesel motors and electrical pumps that pump to small reservoirs and storage tanks with stand pipes of which some are not operational.

Most of the villages served by the scheme have little or no water supply systems because of the inadequacy of the plant to meet the current demand. The situation is aggravated by the existence of illegal connections on the rising main from the purification plant which result with water not reaching villages like Mamphakhathi, Bodupe, Moshakga, Motsinoni, Ramphenyane, Mokwasele, etc. It is of utmost important that a project or programme and awareness campaign be launched to address illegal connections.

Areas such as Moshakga, Maraka, Rapitsi, Mandela Park, Modumelana and Meidingeng have concrete reservoirs which were never or are less utilised due to lack and insufficient bulk water supply. MDM has completed water supply projects at Maraka, Rabothata, Tshabelamatswale, Matswi Extension and Burkina Faso under the Upgrading of Water Reticulation in Greater Letaba programme since 2009/2012. Malematja, Lebala and

Modumelana have boreholes which were drilled and equipped about 10 years back but not energised and that render the associated reservoirs useless.

1.7.3.4 Worcester / Polaseng / Mothobeki rural water supply

This Water Supply Scheme is situated in the central Bolobedu area, approximately 45 km northeast of Modjadjiskloof. Villages which benefit or should benefit from the scheme start from Matswi towards Ditshosing / Shawela, Mothobeki, Polaseng, Mokwakwaila, Ratjeke and other villages around these.

The most reliable bulk water source is the Modjadji plant which is unable to satisfy the scheme for the reason that the capacity is not adequate. Boreholes are also available to supplement water supply in the concerned area. The reticulation network in most of the villages is in bad condition and some of the pipes are exposed to the sun because of erosion that took place over the years.

The Modjadji Water Purification plant when fully operational should be able to augment supply in areas depending on Middle Letaba Water Works through a linkage of bulk supply pipelines from the two plants.

•Lower Molototsi rural water supply scheme

The plant is situated in the Eastern Bolobedu area, approximately 80 km northeast of Modjadjiskloof and it incorporates villages like Jokong, Mpepule, Hlohlokwe, Motlthele, Kuranta, Ramodumo, Abel, Buqa, Taolome and their surrounding villages. The villages served, or to be served, by this scheme, have little water supply systems where few villages benefit from the Modjadji bulk water supply and while most rely on boreholes equipped with hand pumps, diesel motors and electric pumps, that pump to small reservoirs and storage tanks with a few stand pipes. There is a need to extend the bulk water supply line from Modjadji plant to areas like Mpepule and Shamfana through Ga-Kuranta where residents rely on boreholes, which are undependable. The envisaged Nwa-mitwa dam which will be established in Greater Tzaneen Municipality is also possible long term solution to the current challenges.

There are no proper water storage facilities within the scheme which results with deficient distribution water to the consumers. The status of existing reticulation network is not satisfactory and requires renewal.

•The Middle Letaba Regional Water Scheme

Middle Letaba rural water supply scheme

The scheme incorporates some twenty-six (26) villages of which seventeen are in Sekgosese and nine (9) are those outside Sekgosese, which include Maphalle, Mohlabaneng, Jamela, Sefofotse, Bellevue, Mamaila Mphotwane, Nakampe, Refilwe and Makgakgapatse.

A new bulk pipeline with booster pumps and reservoir was constructed from the Middle Letaba water purification works to various areas in Sekgosese but it is not functional. This also affects areas like Sephukubje, Mamaila Kolobetona, Lemondokop / Vaalwater 2, Senwamokgope, Raphahlelo / Phooko and Rotterdam which have existing infrastructure including concrete reservoirs but are without supply. There is an urgent need to draw water from capacitated dams like Nandoni dam in Vhembe to supplement the scheme. Thakgalang and Itieleng have no bulk water supply infrastructure.

There are Lawna Donna, Pekwa and Motlatswi raw water dams in the closer proximity which should be investigated to determine their capacity to complement bulk water supply within the scheme.

The situation unfortunately affects Senwamokgope Township where the municipality has to collect revenue for provision of water and perform operation and maintenance function. MDM has introduced an annual programme for Sekgosese Groundwater Development and the Greater Letaba Water Reticulation since 2009/2010 financial year with an intension to provide boreholes as a relief measure in the interim.

The villages tabled below have been serviced through the relief programme though a stable solution is still required to address the limitations.

The areas tabled below were incorporated in the implementation of the Sekgosese Ground Water Development Programme

Table 1.8: Areas included in implementation of the Sekgosese Ground Water Project

Financial Year	Phase	Description	Status
2008/09	Phase 1	Senwamokgope, Thakgalang	Complete
2009/10	Phase 2	Lemondokop Ext. Vaalwater	Complete
2011/12	Phase 3	Sephukubje, Thakgalang, Rotterdam	Complete
2012/13	Phase 4	Mamaila Kolobetona, Roerfontein, Raphahlelo, Rotterdam	Complete

•Sekgopo Rural water supply scheme

Sekgopo area is comprised of about fifteen (15) villages. The entire Sekgopo scheme has no bulk water supply system and relies entirely on groundwater from boreholes which by nature are not reliable because of many factors which they are exposed to. There are a considerable number of boreholes which were drilled by MDM but have not been equipped or energised. Such boreholes should be tested and equipped in order to boost the system. Morotswe River and Sepotlong dam near Ga-Sekgopo need to be investigated for establishment of a main source to the village, which could then be supplemented by the boreholes.

The present storage facilities like reservoirs are also insufficient and need to be increased to enhance effective water distribution. The project which was implemented by MDM in 2005/2006 in sections like Mogano and Moshate were left incomplete, requires urgent attention to be finalised with the purpose of alleviating the current challenges. MDM has implemented a project in Sekgopo which entailed the extension of reticulation pipelines but that couldn't cover the entire area or resolve the prevalent bulk supply problems.

The areas tabled below were incorporated in the implementation of the Greater Letaba Water Reticulation Project:

Table 1.7: Areas included in Greater Letaba Ground Water Reticulation Project

Financial Year	Phase	Description	Status
2008/09	Phase 1	Burkina Faso, Chabelang Rabothata	Complete
2009/10	Phase 2	Tshabelamatswale, Goudplaas, Matshwi, Maraka	Complete
2010/11	Phase 3	Lemondoko	Complete
2011/12	Phase 4	Sekgopo, Mamaila Kolobetona	Complete
2012/13	Phase 5	Makaba, Goudplaas, Mamakata	Complete

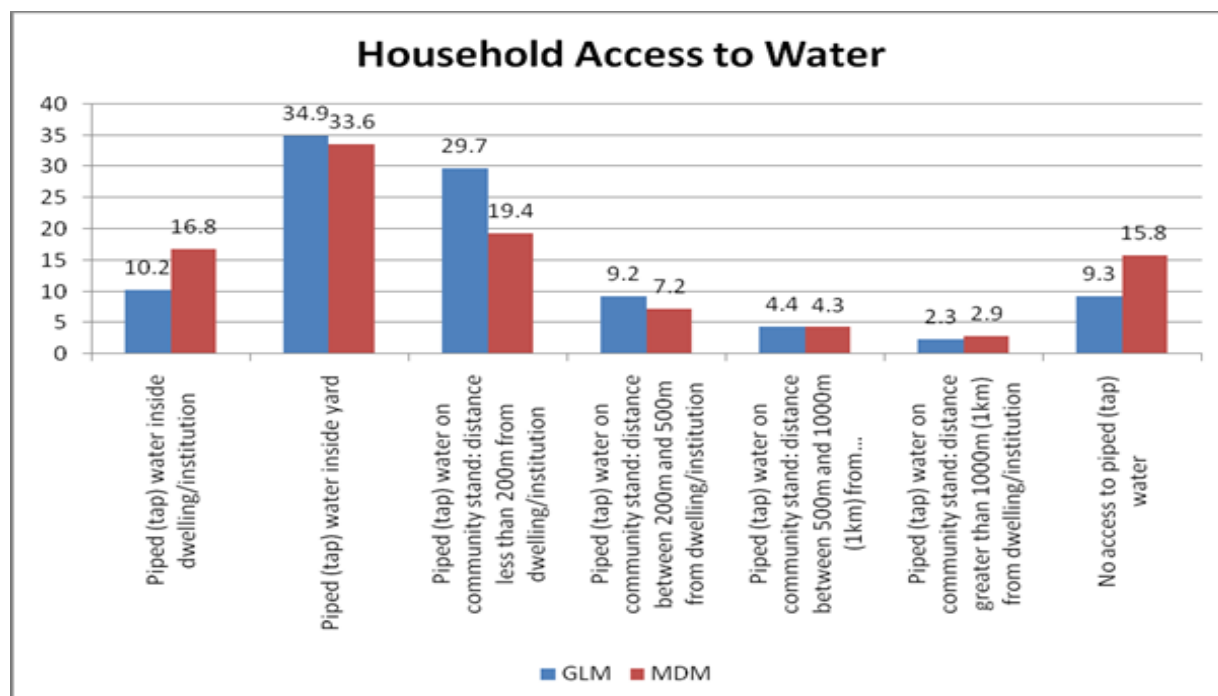
•Access and backlog to water in Greater Letaba municipality

Greater Letaba Municipality strives to ensure that its residents have unhindered access to water services in accordance with the norms and standard required by law. According to the Stats Census 2011, approximately 75% of the residents draw water from less than 200 m radius, which is the maximum required walking distance

to tap water according to the RDP standards. The statistics provided by Stats SA seem to be not reflecting the true picture because the municipality already supplies at least 30%-40% of the villages with water tanker per week.

The graph below shows that 10.2% of households in the Municipality have access to tap water inside the dwellings, while the average for the District Municipality is 16.8%. The percentage of households with access to tap water inside the yard is 34.9%, and is higher than that of the District at 33.6%. The graph further shows that majority of the households have access to tap water on community stands, above the acceptable walking distance 200m as required by standards. This results with desperate community members walking for a long distance to access water. It should also be noted that 9.3% of households in the Municipality have no access to tap water where the District Municipality percentage is 15.8%. It is worrying that 9.3% households in the Municipality still rely on springs, rain-water tanks, stagnant water or dams, rivers and vendors as primary sources of water which may cause health hazard to the residents.

Figure 1.5: Household access to water



Source: StatsSA 2011

•Free Basic Water

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. The municipality has 5804 households which reside in the proclaimed towns and they do not pay for the first 6kl of water as reflected in their service accounts. There is a total of 130 villages which receive unmetered free water supply, which is presumed to be above the FBW threshold. In areas where there are deficiencies in water availability, water supply is supplemented by water tankers without cost.

1.3.10.3. Sanitation

The most predominant sanitation system in the municipality is ventilated pit toilets followed by pit toilets which are without ventilation and both are mainly found in rural areas. The water-borne sewer system has been developed at Modjadjiskloof, Ga-Kgapane and Senwamokgope though the system is not fully operational due to various challenges outlined below. Modjadjiskloof system is in fairly good condition but is not fully utilised because there was no provision for house connections to individual premises in the previous sewer project. Connection points were however provided in some of the households but some of the residents have rejected such to be provided in their yards as they were comfortable with septic tanks and French drains. In areas where septic tanks and honey suckers are used, the contents are discharged at Modjadjiskloof oxidation ponds which do not comply with the requirements of the Department of the Environmental Affairs.

The ponds need to be either rehabilitated or properly closed for compliance with the National Environmental Management Act. The wastewater treatment plant at Ga-Kgapane was upgraded to 2,4ML/day and it is supposed to accommodate effluents from Ga-Kgapane and Modjadjiskloof. The plant is not operating properly and factors which contribute to this deficiency include the following:

- All anaerobic digesters are blocked need to be blown to loosen the sludge
- No clean water for the dosing filter
- Sewage leaking into new anaerobic digester, sedimentation tank and humus tank when inlet valves are closed
- The enviro-wall has collapsed
- The yard is generally not tidy
- The effluent is released into the river without chemical treatment
- Chlorine gas cylinder cap has been broken

The sewer reticulation network at Ga-Kgapane Extension 7 and Meloding sections is in poor condition, frequently blocking, not functional in some instances and requires to be replaced as a matter of urgency to minimize health hazard and contamination which are prevalent. There are areas in the township where sewer is discharged into the natural water courses and that is in contravention with the NEMA.

The MDM is in the process to construct the sewer reticulation network and upgrading of the existing oxidation ponds at Senwamokgope Township to a fully-fledged wastewater treatment plant. The project among others entails construction of the following:

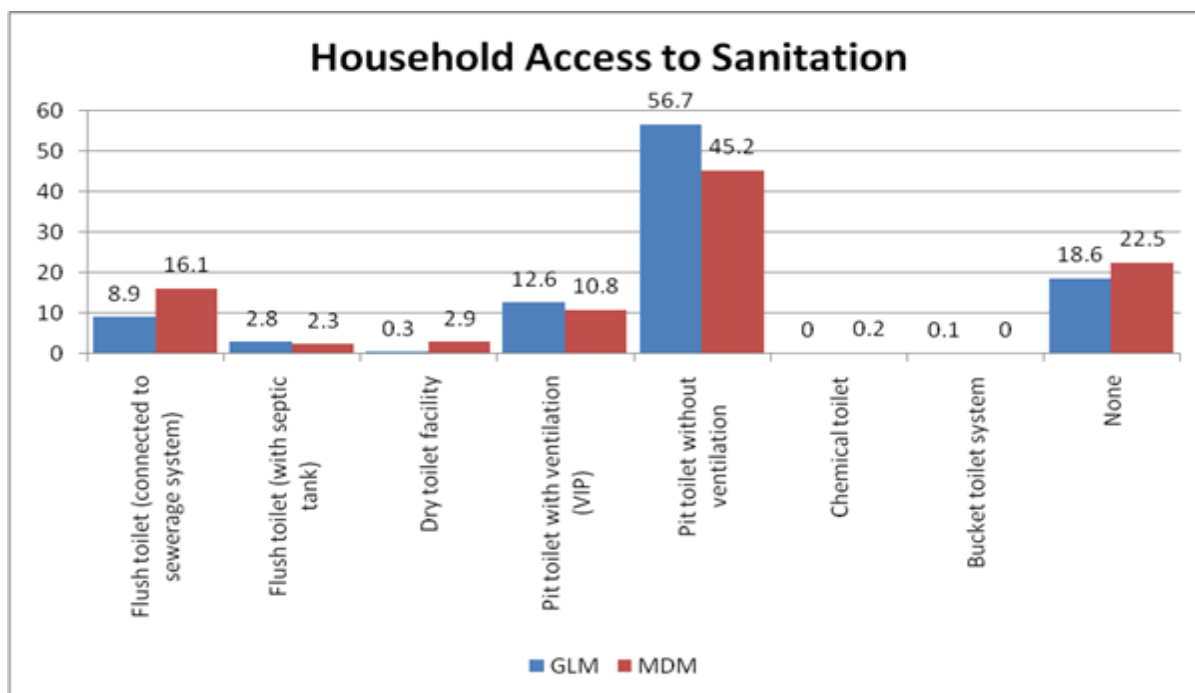
- Upgrading to pipe works and manholes
- Construction of Inlet Works; Anaerobic reactor; Pump Station; Bio filter;
- Clarifier; Chlorination channel; Sludge drying beds;
- Admin Building and Concrete Palisade Fencing
- Mechanical and Electrical works by nominated sub-contractors
- Sewer reticulation

•Access and backlog to sanitation services

According to Stats SA 2011 census, about 75,6% of the households within the municipality are either without sanitation facilities or have sub-standard toilets like those without ventilation, bucket system and chemical toilets. The 75,6% figure might as well be translated into a backlog and that implies that progress in providing sanitation facilities is not satisfactory. The municipality has collected own statistics in 2012 which reflected 4524 (8%) households were in need of sanitation units and this varies much from information provided by Stats SA.

The Department of Human Settlement has allocated 264 VIP toilets in the municipality through their Rural Households Infrastructure Programme (RHIP) project in 2012/13 financial year to reduce the backlog. The backlog number is also being lessened through implementation of housing projects which incorporate dwelling units together with toilets. The graph below indicates household access to sanitation:

Figure 1.6: Household access to sanitation



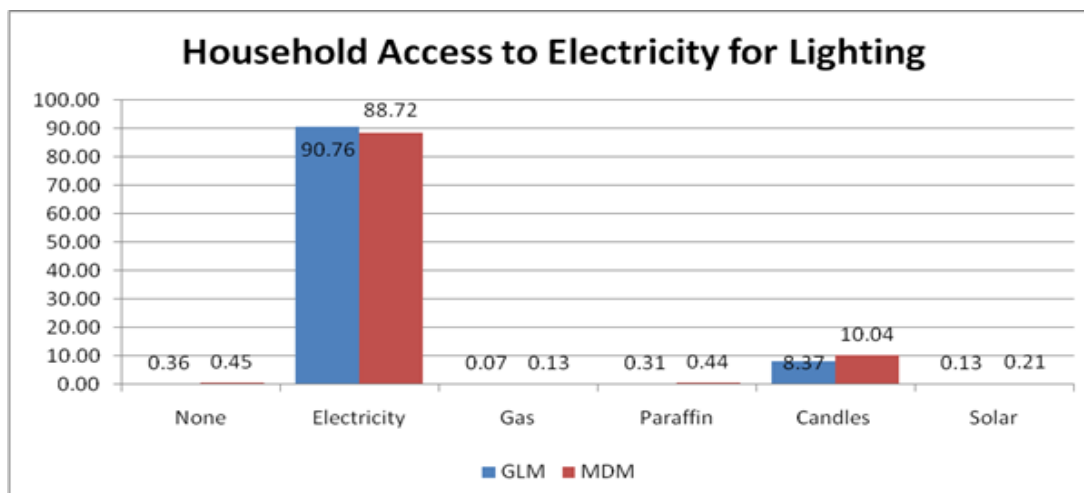
Source: STATSSA 2011

1.3.10.4 . Electricity Supply

•Access to electricity

The number of households with access to electricity has increased to 95.76%. The situation is therefore acceptable as far as energy supply is concerned.

Figure 1.6: Household Access to electricity for lighting



Source: STATSSA 2011

•Status of Electrical Network

Greater Letaba Municipality has electricity distribution license granted by National Electricity Regulator of South Africa (NERSA) in accordance with the Electricity Act, 1987 (Act No. 41 of 1987) to supply electricity in Modjadjiskloof. Eskom is responsible for distributing electricity to other areas except in Modjadjiskloof. Mokgoba village which is an extension of Modjadjiskloof is characterised with illegal connections which result with electrical shocks, fires, damage to infrastructure and loss of revenue by the municipality. The initiative to install maximum demand meters at Mokgoba in 2013/14 expected to minimise the widespread loss of electricity in the village.

The infrastructure is aged with components dating back to 1960s, this resulting with frequent power outages especially during storms and winter season. This also poses life threat to the residents and municipal workers responsible for electricity provision.

The infrastructure is composed of:

- The high voltage 11.5 km of bare overhead medium voltage lines
- Five (5) 33kV/11kV substation transformers connected to Eskom grid
Power with capacity of 3.8MVA
- The low voltage network consists of approximately 18 km of bare
Overhead conductors
- Six (6) km of underground cables.
- Twenty four (24) transformers/miniature substations transforming MkV to
400V. the maximum installed capacity of these transformers is 4.8MVA.

The customer base consists of 451 domestic, 4 agricultural, 4 manufacturing and 80 commercial users. The municipality is regularly purchasing electricity from Eskom that exceeds the Notified Maximum Demand (NMD) of 3000KVA per month especially during winter season. This implies that GLM has to apply to Eskom to increase the NMD to at least 5000KVA per month to avoid penalty charges.

The service providers have been appointed for development of the Electricity Master Plan and the upgrading of the current network to advance compliance with the National Electricity Regulator (NER) standards.

•Backlog to electricity

The Stats SA 2011 Census reflects that 90, 76% households within GLM have been electrified. This is well in line with the in-house verification which revealed that only 1356 (2%) households

in new settlements and extensions are still without electricity. Some of the remaining households require post connections from existing networks through ESKOM.

•Free Basic Electricity

The maximum allowable consumption for Free Basic Electrification is 60kw per household per month. The municipality has received 137 applications (for the municipality's licensed area) for FBE of which all beneficiaries are currently collecting. ESKOM administers applications and collection of FBE in areas under their distribution licence. The number of applications received by ESKOM in 2013/2014, 3625 of which 2205 beneficiaries were collecting.

•Street Lighting

The municipality has a strategic intention of locating street lights or highmast lights in areas which are at entry to the municipal area or / and affected adversely by crime. Areas which are provincial, district and local growth points, areas which have economic activities especially even after sunset are also targeted for lighting. A total of eighty seven (87) highmast lights were erected between 2009/2010 and 2013/2014 financial year benefiting 49 villages. A vast increase in street lighting assets requires the municipality to adjust the budget for related operations and maintenance accordingly.

1.3.10.5. Transport Infrastructure

• Road Networks and Backlogs

Transportation infrastructure makes a major contribution to the facilitation of economic activities. A major progress has been made in improving the condition of the roads in the municipality. The municipality has a total of 1213 km road network.

• Public transport

Greater Letaba municipality public transport access is accessible to communities, some villages takes less than 10 minutes' walk to access public transport. Whereas some takes more than 10 minutes to access public transport which is above service norm and standards

1.3.10.6 Access to Health Care

STATSSA indicates that, within the Greater Letaba Municipal area, 42% of communities reside within 20 km of a hospital, 4% of communities reside within 10 km of a Health Centre and 91% of communities live within 5 km of a clinic. With the exception of the very low Health Centre statistic, Greater Letaba compares favourably with the other local municipalities in the

Mopani District. The distance norm to rate accessibility does not take into consideration other restrictive factors, such as bad state of roads, and therefore health facilities are in all probability less accessible to communities than reflected by the Department of Health criteria.

Many of the residents of the municipal area make use of health facilities in adjacent areas, such as the Tzaneen Private Hospital, the Van Velden Hospital at Tzaneen, Nkhensani and the Pietersburg Private Hospital, for a variety of reasons. The area is well served by clinics although primary health care is relatively not sufficiently accessible to people in the villages, as there is only one mobile clinic in use which operates from the Ga-Kgapane Hospital. General problems encountered by the health services are the following:

- *Staff shortages; Equipment shortages; Out of order vehicles, and Strikes.*

Other challenges and needs in respect of health facilities include :

- *Insufficient mobile and visiting points; need for a health centre in Sekgopo, Senwamokgope and Mokwakwaila; Acquiring a suitable site for the construction of a more capacitated clinic in Modjadjiskloof; A need for EMS at Sekgopo, Sekgosese and Mokwakwaila.*

Health facilities

Information gathered from the Department of Health & Social Development is that there is 1 hospital, 1 health centre and 20 clinics within the Greater Letaba Municipal area. Table 6 below presents the capacity of the hospital and health centre while capacity of the clinics is presented in Table 7 below. The availability of a suitable site for a clinic still poses a challenge in Modjadjiskloof and Senwamokgope.

Table 1.9: Hospital (Ga-Kgapane) and Health Centre (Modjadjiskloof) facilities

		Ga-Kgapane	Modjadjiskloof
Beds		281	17
Wards		7	9
Theatre		1	2
Doctors	Sessional	5	5
	Full time	6	
Nurses	Qualified	370	19

Source: Department of Health & Social Development, 2011

Table 1.10: Clinic facilities in the Greater Letaba Municipality, 2011

Facility	Location	Beds		Nurses	Doctors
		Delivery	Post Natal		
Kgapane	Kgapane	2	2	8	Visiting weekly
Medingen	Medingen	2	3	9	Visiting weekly
Sekgopo	Sekgopo	2	3	9	Visiting weekly
Duiwelskloof	Modjadjiskloof	0	0	8	Visiting weekly
Shotong	Shotong	2	3	14	Visiting weekly
Modjadji	Sekhwiting	2	2	Seconded staff	Visiting weekly
Bolobedu	Bolobedu	2	3	8	Visiting weekly
Matswi	Matswi	2	3	8	Visiting weekly
Senopela	Senopela	2	3	9	Visiting weekly
Seapole	Seapole	2	2	6	Visiting weekly
Charlie Rhangani	Charlie Rhangani	2	2	7	Visiting weekly
Mamanyoha	Mamanyoha	2	2	7	Visiting weekly
Lebaka	Lebaka	2	2	8	Visiting weekly
Maphalle	Maphalle	2	3	12	Visiting weekly
Raphahlelo	Raphahlelo	2	3	9	Visiting weekly
Mamaila	Mamaila	2	3	8	Visiting weekly
Middlewater	Middlewater	2	2	8	Visiting weekly
Pheeha	Pheeha	2	2	8	Visiting weekly
Rotterdam	Rotterdam	2	3	8	Visiting weekly
Bellevue	Bellevue	2	3	8	Visiting weekly
Total	20	38	49	162	

Source: Dept. Health, 2011

1.3.10.7 Library facilities

Greater Letaba Municipality has three libraries within its area jurisdiction. Library contributes significantly to the education of the Greater Letaba population. The Modjadjiskloof library, Soeffontein library and Ga-Kgapane library are currently operational. There is a need for library in the following area:

- Mokwakwaila
- Sekgopo area
- Rotterdam area

- **Heritage Sites**

Greater Letaba Municipality has a number of heritage sites:

- Modjadji Cycad forest
- Rain Queen White House
- Lebjene Ruins

There is a need in Greater Letaba Municipality to promote Selobedu language and popularize heritage site such as Manokwe cave and other caves which are found within the Greater Letaba Municipality

- **Thusong Centres**

Municipality has two Thusong Centres which are currently operational. The Centres are at Mokwakwaila and Soetfontein in Sekgosese area. There is a backlog in terms of establishment of additional Thusong Centres in Sekgopo and Rotterdam. The establishment of these Centres would empower the poor and disadvantaged through access to information, services and resources from governmental organization, parastatals and business.

1.4 Executive Summary

- **Vision**

Greater Letaba Municipality's vision is **“To be an outstanding agro-processing and eco-cultural tourism hub”**.

- **Mission**

To ensure an effective, efficient and economically viable municipality through:

- Provision of accountable, transparent and consultative government
- Promotion of local economic development and poverty alleviation
- Strengthening cooperative governance
- Provision of sustainable and affordable services

- **Values of Greater Letaba Municipality**

The values of Greater Letaba Municipality

- Teamwork

- Commitment
- Integrity
- Value for money
- Consultation
- Transparency
- Accountability
- Courtesy
- Innovation

Greater Letaba municipality derives its existence from the objects of local government as entailed in section 152(1) of the Constitution of the Republic of South Africa:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- Encouraging involvement of communities and community organizations in the matters of local government.

In the process of delivering services to the community, the municipality follows the five years strategic Agenda as adopted by national government, namely;

- *Municipal Transformation and Organisational Development*
- *Basic Service Delivery and Infrastructural Development*
- *Local Economic Development*
- *Financial Viability and Management*
- *Good Governance and Public Participation*

In addition to the Five Years Strategic Agenda, the municipality operates within the framework of the following municipal strategic priorities:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Massive program to build economic and social infrastructure.
- Comprehensive rural development strategy linked to land and agrarian reform and food.
- Security.
- Strengthening the skills and human resource base.

- Improve the health profile of all our people.
- Intensify the fight against crime and corruption.
- Build cohesive, caring and sustainable communities.

In its vision statement, the municipality asserts to be an outstanding agro-processing and eco-cultural tourism hub while providing sustainable and affordable services to all. Greater Letaba municipality provide core services geared to uplifting the social and economic standards of the communities by actualizing the following mission and values.

1.5 Other Municipal Context

The dawn of democracy which was ushered by the establishment of municipal council as dictated by chapter 7 of the Constitution of Republic of South Africa, came with its own challenges that affected the new council, staff and residents of Greater Letaba Municipality, however the aim of the new council was to ensure a smooth transformation with minimum circumstances hampering service delivery to its residents.

•*The Integrated Development Plan*

In compliance with Section 34 of the Municipal systems Act (Act No.32 of 2000) read in conjunction with Chapter 2 of the Local Government: Municipal Planning and Performance Management Regulations, No.R.796/2001, the Greater Letaba Municipality has developed an Integrated Development Plan which is revised annually, accompanied by organisational review and Performance Management System review.

The Integrated Development Plan is the municipality's strategic planning document which guides and informs all planning and development within the municipality and a tool that enables the municipality to work towards achieving development goals as outlined in the constitution. The IDP informs and is integrally linked and co-ordinated with the municipality's budgeting and performance management process.

The Municipality's long-term vision details the development priorities and cross cutting issues which contribute towards achieving the vision, strategies, programmes and projects; which are linked to a detailed budget and are all contained in the IDP. The Municipality has developed its objectives, strategies, projects and programmes in terms of IDP themes. There are:

- *Provision of Infrastructure and Services*
- *Creation of liveable towns and rural areas.*
- *Local Economic Development*
- *Community empowerment & redistribution.*

The Greater Letaba Municipality's IDP community consultation processes were extensive during the 2013/2014 financial year. This was used as a comprehensive feedback gathering session where approximately 10 budget consultations were held across the municipality which was attended by approximately 1800 people.

1.6. Achievements

- The municipality received an award of the "Greenest Municipality" competition (position 2 in the district and an amount of R15 000).
- The municipality has finalised the development of the Electricity Master Plan to upgrade the current network for compliance with the National Electricity Regulator (NER) standards.
- The following villages have been electrified by ESKOM for a total of 1274 units in 2013/2014 financial year: Rotterdam, Ditshosing/Shawela, Ramaroka, Mothele, Raphahlelo, Ga-Phooko and Goudplaas.
- The municipality has invested in the infrastructure development in areas such as street paving at Ga-Rapitsi, Mamaila-Kolobetona and Sekgopo; and sport complexes at Lebaka and Sekgopo villages.
- The municipality has constructed two transfer stations at Senwamokgope and Ga-Kgapane.
- Rehabilitation of Modjadjiskloof main street (Botha Street) in partnership with South African National Roads Agency Limited (SANRAL).
- Purchasing of maintenance machinery and vehicles which include TLB, 2 x Graders,
- Water tanker, Bulldozer, Tipper truck, Skiptruck, 3 x bakkies and a sedan.



CHAPTER 2

GOVERNANCE

2.1 Introduction

Good governance has eight major characteristics namely, participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. The municipality through its Anti-fraud and corruption policy and Labour Relations policy has ensured that corruption is minimised and corrective disciplinary actions are taken.

2.2 Governance Structures

The municipality has during the financial year 2013/2014 focused on governance and related matters. The Council decision-making and oversight functioning including the administrative tools were regarded as fundamental to enable effective and efficient decision-making and oversight. Twenty seven (27) policies were implemented covering the entire administrative ambit to enforce compliance to legislations.

Section 151 (3) of the constitution of the Republic of South Africa stipulates that municipalities have the right to govern, on their own initiative, the local government affairs of their communities, subject to provincial legislations. The Constitution further specifies in section 155 (2) that, "national Legislation must define different types of municipalities that may be established within each category.

2.2.1 Political Structure

In realizing the ideals referred to above, Greater Letaba Municipality was established as a category B municipality in terms of Section 12 of the Municipal Structure's Act No. 117 of 1998. It was established as a municipality with a collective executive system combined with a ward participatory system as per provision of Section 9 (b) of the Municipal Structures Act.

After the 2011 Local Government Elections, Councillor Modjadji G.H was re-elected the Mayor of Greater Letaba Municipality, Cllr Ramalatso R.R became the Speaker of Council while Cllr Masutha M.J was appointed the Chief Whip. The African National Congress had 29 ward councillors and 22 PR Councillors, Congress of the People had 4 PR Councillors while Democratic Alliance and African Christian Democratic Party had 1 each.

The executive committee which is the principal committee of council is chaired by the Mayor and they receive reports from different portfolio committees of the council which are forwarded to council with recommendations if they cannot dispose the matter in terms of delegated powers. The Chief Whip plays his whipping role in party caucus. The 10 Traditional Leaders participate in council in line with the provisions of Section 81 of the Municipal Structure's Act.

•Municipal Committees

Section 160 (c) of the constitution stipulates that, "a municipal council may elect an executive committee and other committees, subject to national legislation." Section 79 and 80 of the Municipal Structures Act No. 32 of 2000 gave effect, to this provision by establishing the following committees which are chaired by chairpersons who are members of the Executive Committee;

Table 2.1 : Municipal Committees

Committee	Chairperson
Corporate and Shared Services	Councillor Maake F.N
Finance	Councillor Nkwana M.M
Infrastructure	Councillor Makhananisa R.J
Economic Development, Housing and Spatial Planning	Councillor Makhananisa M.D
Water Services	Councillor Kgafela T.C
Health and Social Development	Councillor Baloi N.N
Public Transport and Roads	Councillor Masela M.P
Sports, Recreation, Arts and Culture	Councillor Seale M.C
Agricultural and Environment	Councillor Moroatshehla F.M

Municipality's Political Structure (Exco) 2013/2014



Cllr Modjadji G.H.
ANC (Mayor)
0828565227



CLLR NKWANA M.M
ANC (EXCO)
0721187152



CLLR BALOI N.N
ANC (EXCO)
0730748820



CLLR MAKHANANISA M.D
ANC (EXCO)
0824188635



CLLR MORWATSHEHLA M.F
ANC (EXCO)
0824188585



CLLR MAAFE F.N
ANC (EXCO)
0768337216



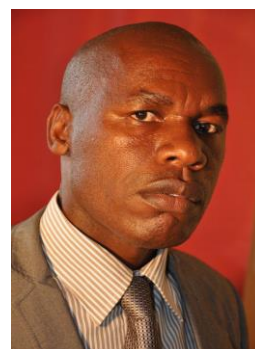
CLLR MAKHANANISA R.J
ANC (EXCO)
0723003253



CLLR KGAFELA T.C
ANC (EXCO)
0729059972



CLLR SEALE M.C
COPE (EXCO)
0721973538



CLLR MASELA M.P
ANC (EXCO)
0824185616

All committees are constituted by all councillors representing different political parties, officials and traditional leaders. Section 80 committees are established as and when required as outlined in the Act. The committees operate under the auspices of council and are delegated certain powers and duties to execute.

•Municipal Public Accounts Committee (MPAC)

Greater Letaba Municipality has established Municipal Public Accounts Committee in line with the National Guidelines and the stipulations in Section 79 of the Municipal Structures Act No.117 of 1998 and the committee comprises of the following members:

Table 2.2 : MPAC Committee

Name	Gender
Councillor Baloyi M.J	Male : Chairperson
Councillor Morwatshehla F	Female
Councillor Nakana M.J	Male
Councillor Kgatla N.M	Male
Councillor Rabapana M.D	Female
Councillor Mkansi G.J	Male
Councillor Machehe N.T	Female
Councillor Seunane R.A (Deceased)	Male
Councillor Matloga D.I	Female
Councillor Lebepe M.A	Female
Councillor Makgeru M.A	Female

•Municipal Council

Council is a structure that is vested with executive and legislative authority. Council is chaired by the Speaker who must among other functions ensure that council meetings are conducted in line with council rules and orders and that they meet quarterly.

Table 2.3: Statistical report on attendance of Meetings.

COMMITTEE / STRUCTURE	MEETINGS SCHEDULED	MEETINGS HELD	% OF SITTINGS	STATUS
Council	4	12 (4 Ord & 8 Spec)	300%	Target Exceeded
Exco	4	12 (4 Ord & 8 Spec)	300%	Target Exceeded
Corporate & Shared	12	8 meetings held	75%	Below Target

Services				
Infrastructure	12	10 meetings held	83%	Below Target
Local Economic Development	12	8 meetings held	66%	Below Target
Public Transport And Roads	12	8 meetings held	66%	Below Target
Health and Social Services	12	7 meetings held	58%	Below Target
Environment & Agriculture	12	10 meetings held	83%	Below Target
Sports, Arts and Culture	12	9 meetings held	75%	Below Target
Water Services	12	11 meetings held	91%	Below Target
Finance	12	11 meetings held	91%	Below Target
Audit Committee	4	6 (4 Ord & 2 Spec)	150%	Target Exceeded

•Portfolio Committees functionality

The Portfolio Committee system which was established in terms of S79 of the Local Government: Municipal Structures Act, No.117 of 1998, supports the Greater Letaba Municipality Council. Each Portfolio Committee meets once a month. Their core function is to look at specific issues that relate to each Portfolio, research issues and find necessary facts before those issues could be discussed by Councillors who sit in each of these Portfolio committees. The Committee deliberates on issues and make recommendations to Exco and full Council, for the latter to take the final decisions. The Portfolio Committees for Greater Letaba Municipality are indicated above.

•Audit Committee functionality

The Audit Committee, consisting of independent, external members listed below. The committee is required to meet at least 4 times per annum as per the Audit Committee Charter. Four (4) ordinary and three (3) special meetings were held. The Committee has been set up by Mopani District Municipality in accordance with the Municipal Finance Management Act no 56 of 2003 Section 166(2) and it operated in a shared service manner for the entire district.

Table 2.4: Statistical report on the attendance of Audit Committee meetings

Audit Committee Member	1st Q	2nd Q	3rd Q	4th Q	S	S	% of attendance
Modipane T.C	Yes	Yes	Yes	No	No	Yes	67%
Ngobeni S.A.B	Yes	No	Yes	Yes	Yes	Yes	84%
Kholong S.S.T	Yes	Yes	Yes	Yes	Yes	Yes	100%
Mudau F.J	Yes	No	Yes	Yes	Yes	Yes	84%
Hlomane H.G	No	Yes	Yes	Yes	Yes	Yes	84%
Average attendance by AC members	82.6%						

Legend: Yes = Meeting attended. No= Meeting not attended. S = Special audit committee meeting

2.3. Administrative Governance Structure

Section 160 1 (d) of the constitution stipulates that, "A Municipal Council may employ personnel that are necessary for the effective performance of its function." To give effect to this provision, council has appointed a Municipal Manager who is the head of administration and also the accounting officer for the municipality as outlined in Section 82 of the Municipal Structures Act.

Council further appointed Managers who directly account to the Municipal Manager in consultation with the Municipal Manager in line with the provision of Section 56 of the Municipal System's Act No. 32 of 2000. The administrative structure of the municipality has been reviewed and adopted by council on the 29th of May 2013 as required by Section 66 of the Municipal Systems Act. Greater Letaba Municipality has four directorates or departments namely, Corporate Services, Community Services, Budget and Treasury office and Infrastructure Development and Planning. Each department and the office of the Municipal Manager have specific functions that they perform to give effect to Council's mandate as enshrined in Section 152 of the Constitution of the Republic of South Africa.

The municipality has an Integrated Development Plan (IDP) that informs both the Budget and Service Delivery and Budget Implementation Plan (SDBIP). All Managers and the Municipal Manager have duly signed employment contracts and performance agreements in the financial year 2013/2014. The management team's mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitation of the transformation process by providing strategic advice and of support for the Mayor, Speaker, Council committee, EXCO and Municipal Council.

The municipal headquarters is located at Modjadjiskloof 44 Botha Street. To ensure accessibility of services to the public, there are three sub-offices which are located at Ga-Kgapane, Mokwakwaila and Senwamokgope.

The following individuals were members of the municipality top management:

POSITION	NAME
Municipal Manager	Mrs Mashaba T.G
Chief Financial Officer	Mr Thoka B.J
Director: Corporate Services	Mr Chuene K.R
Director: Infrastructure, Economic Development & Planning	Mr Molokomme C.W
Director : Community Services	Mr Mogale D.I

Municipality's Administration Structure 2013/2014



Mashaba T.G
Municipal Manager



Mogale D.I
Director Community Services



Mr Molokomme C.W.
Director Infrastructural & Development



Mr Thoka B.J
Acting Chief Financial Officer



Mr Chuene K.R
Acting Director Corporate Services

The Greater Letaba Municipality administration has been organized into four directorates. The management team's mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitate the transformation process by providing strategic advice and project support to the Mayor, Speaker and Municipal

Manager thereby ensuring that there is political and administrative unity. Each directorate including the Municipal Manager's office, contain a set of operational divisions.

As part of the Institutional transformation and in an endeavour to strengthen and build an efficient administration, alternate delivery mechanisms are reviewed in order to ensure improved services to communities. In order to enhance operational efficiency, an organisational structure review was undertaken and adopted by Council.

•**The Municipal Manager's Office**

The overall purpose of the office is to provide strategic administrative support to the council. The municipality has four directorates which account to the Municipal Manager as the head of administration as stipulated in Section 55 of the Municipal Systems Act, no 32 of 2000.

The Municipal Manager's Office renders the following functions:

- *Risk and internal audit.*
- *Communication and events.*
- *Disaster services.*
- *Infrastructure development and planning.*
- *Community services and social development.*
- *Corporate services.*
- *Budget and treasury.*

2.4. Intergovernmental Relations

Intergovernmental Relations issues are handled by the Mayor's Office which is responsible for developing, promoting and implementing all the international, national and local citizenship relationships to maintain a positive profile of Greater Letaba, nationally and internationally.

2.5. Public Accountability and Participation

•**Communication**

Local Government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments, all impose an obligation on Local Government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all. The communities, on the other hand, have a right and a responsibility

to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. The municipality is committed to the principle of Batho Pele.

Good customer care is of fundamental importance to the municipality. The municipality has a Communication Strategy which links the people to the municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

COMMUNICATION ACTIVITY	YES/NO
Communication Unit	Yes
Communication strategy	Yes
Communication policy	Yes
Customer Satisfaction Survey	No
Functional Complaints Management system	Yes
No. of Newsletters issued in 2013/2014	01
No. of public participations held as per Section 16 of the Municipal Systems Act (MSA)	10
No. of Imbizos held	2
No. of newspaper articles/notices published	23

•Ward Committees

The municipal council has established 29 functional Ward committees in line with Section 73 of the Municipal Structures Act. The term of office corresponds with the term stipulated in section 24 of the Local Government Laws Amendment Act No. 19 of 2008. The committees are chaired by ward councillors and have powers and functions to make recommendations on any matter affecting their ward to all structures of council through the ward councillors as specified in Section 74 of the Act. Ward committees give effect to public participation as outlined in chapter 4 of the Municipal Systems Act by assisting Ward councillors in mobilizing, organizing consultative meetings and activities, disseminating information and encouraging participation from residents in the ward. Ward committees have a budget to cater for their out of pocket expenditure.

In addition to ward committees, the Service Delivery and Budget Implementation Plan (SDBIP) were made public. The SDBIP contained projected financial and service delivery Indicators and deliverables. Members of the public were invited to participate in the Oversight process related to the Annual Report. In order to promote public accountability and participation, members of the public were invited to attend all meetings of the Council meetings. Furthermore, public participations were also conducted through Mayoral Budget and Integrated Development Plan (IDP) Imbizos. These were held prior to developing the draft budget in order to provide feedback to the community the implementation of projects in the current financial year and to stimulate the needs of the community in order to provide input for the new financial year.

2.6. Corporate Governance

The municipality like the previous years has functioned in accordance with the political, statutory and other relationships between its political structures, political office bearers and administration and its community. It has exercised its authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution. The administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution. It has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. It sought to achieve the integrated, sustainable and equitable social and economic development of its area. These functions are listed in Chapter 5 of the Local Government: Municipal Structures Act, 1998, as amended, ("the Structures Act").

2.6.1. Risk Management

Risk management forms part of management's core responsibilities and it is an integral part of the internal processes of the municipality. When properly executed risk management provides reasonable assurance, that the municipality will be successful in achieving its goals and objectives. Note: MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The municipality is aware of the impact of risk on service delivery; as such it has developed extensive risk mitigating measures for both strategic and operational risks that have been identified. The King III report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented, can create and sustain stakeholder value. The municipality has a risk assessment workshop during 2013/2014 financial year and identified the following major risks.

Table 2.5: Major risk identified during risk assessment workshop.

No	Risk identified	Root cause	Mitigating strategies
1	Inaccessible land for development Non-serviceability of existing land for development	Reluctance by some traditional leaders / land owners to release land for developments Non-unified approach (Political / Administrative) and communication with traditional leaders / land owners	Re-define existing development projects and align to existing land availability and availability of existing or future service's needs.
2	Low revenue base	Limited revenue streams Lack of new sources of revenue	Review of revenue enhancement strategy Implementation of revenue enhancement strategy
3	Non-compliance to SCM regulations	Lack of understanding of SCM regulations Compromising SCM processes in procuring services for meetings and events if on a decentralized basis Poor interdepartmental cooperation Poor planning and scheduling	Capacitation of the SCM unit through appointment of experienced additional SCM officers(Demand and acquisitions clerk) Introduction of Compliance Checklist Request procurement of services from SCM two weeks before the event or meeting Enforce Implementation of SCM policy
4	Inability to retain / attract investors	Lack of investment strategy Time delays in responding to business proposals Capacity of services & power are stumbling blocks	Implementation of investment , LED, Agriculture and tourism strategy Distribution of Marketing Plan Municipality to approach investors
5	Loss of data	Lack of IT disaster recovery plan Relying on Mopani District for support Delays in Mopani district municipality in appointing the District service provider Lack of an approved IT Strategy	Development of an IT Disaster Recovery Plan and BCP Development of IT Strategy(IT governance framework) Implementation of IT disaster recovery plan

2.6.2. Anti-Corruption and Fraud

The municipality has an approved Anti-fraud and corruption policy in place to deal with matters relating to fraud and corruption within the municipality. In addition the Labour Relations and Whistle blowing policies were implemented.

2.6.3. Supply chain Management

The municipality's Supply Chain Management (SCM) unit is a support function for all directorates within the municipality to ensure provision of efficient, transparent, fair, equitable and cost effective procurement services hence assisting them to implement their service delivery priorities. In terms of the MFMA SCM regulations, the SCM unit is established to implement the SCM policy adopted by council. It has operated under the direct supervision of the Acting Chief Financial Officer. The supply chain management policies were adopted by Council and published on the website.

2.6.4. By-laws

The Municipal Systems Act of 2000, Section 11 (3) (m) provides Municipal Councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. During the financial year 2013/2014, the municipality did not adopt or implement any new by-laws.

2.6.5. Website

The municipal website (www.greaterletaba.gov.za) is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies. The website is maintained by State Information Technology Agency (SITA).

The municipality acknowledges that the website has not been managed effectively to allow easy access to relevant information, serve as a tool for community participation, nor improved stakeholder involvement and facilitating stakeholder monitoring and evaluation of municipal performance because it did not fully comply with the MFMA, Section 75. The data below outlines the documents published on the website:

Documents published on the Municipality's	Yes/No
Annual and adjustments budgets and all budget-related documents / reports	Yes
All current budget-related policies	Yes
The annual report (2012/2013) published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2012/2013) and resulting scorecards <input type="checkbox"/>	Yes
All service level agreements (2013/2014)	No
All long-term borrowing contracts (2013/2014)	No
All supply chain management contracts above a prescribed value of R200 000 for 2013/2014 <input type="checkbox"/>	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2012/2013	No
Public-private partnership agreements referred to in section 120 made in 2013/2014 <input type="checkbox"/>	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2013/2014	Yes
Integrated Development Plan (IDP) 2013/2014	Yes
Service Delivery Budget Implementation Plan (SDBIP) 2013/2014	Yes

2.7. Governance Highlights

- MPAC was able to hold two (2) public hearing on annual performance report, a strategic retreat session, regular project visits, and meetings with the management team.
- The municipality managed to train youth on small business development programmes.
- The municipality Disability desk held 13 outreaches.



CHAPTER 3

SERVICE DELIVERY PERFORMANCE

3.1: Introduction

This chapter focuses on service delivery on a service by service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on community needs and resource deployment. A brief narrative of all the services provided by the municipality and the performance highlights for the year is also highlighted.

The Annual Performance Report (APR) is a legislative requirement prescribed by section 46(1) and (2) of the Municipal Systems Act (MSA), 32 of 2000. The municipality has complied with legislation by submitting its APR to the AG, COGHSTA and National and Provincial Treasury by the 22nd of August 2014. The APR, amongst other documents, form part of the consolidated Annual Report of the Municipality which must be submitted to Council by the end of January on an annual basis. The analysis of the APR is aimed at evaluating the quality of the actual results delivered by programmes in the attainment of the Municipality's strategic objectives. Prior to the analysis of APR, the Audit Findings regarding performance should be taken into consideration; this would give a greater understanding to any shortfalls identified, especially the non-achievement of targets.

3.2. Performance Highlights

The municipality has achieved 43% of planned targets and this resulted in some projects rolled over to the 2014/2015 financial year.

OVERALL ORGANISATIONAL PERFORMANCE	
Municipal Transformation and Organisational Development	54%
Basic Service Delivery	24%
Local Economic Development	47%
Municipal Financial Management Viability	36%
Good Governance and Public Participation	56%
OVERALL ORGANISATIONAL PERFORMANCE	43%

The root cause of the failure to achieve 57% of its planned target as per the SDBIP is mainly due to slow procurement processes and lack of capacity in finance directorate especially human resources. It is worth noting that in some instances of under-performance, delays in decision making has resulted in targets not being met. It can also be indicated that poor project management and contract management resulted in the underperformance of the capital programs.

3.3. Annual Performance Report (Section 46-Municipal Systems Act).

KPA 1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT KEY PERFORMANCE INDICATORS

OUTCOME NINE (OUTPUT 1: IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT, OUTPUT 4:

Vote NO	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/14	Budget Adjustment 2013/14	Annual target	Annual achievements / Progress made	Challenges	Intervention	Expenditure	Project Own
50	Improved Quality of Life	Indigent Management	To ensure that all indigent groups are registered in the indigent register	Indigent registered (# of qualified indigent /# of indigent applicants)	100%	Operational	Operational	100%	Target not achieved. 60% (2852/4766)	The existing customers are not collecting indigent support	Conduct awareness campaigns in all wards	Operational	CFO
33	Improved Governance and Organisational Excellence	Annual Report	To compile the Final Annual Report and submit to council by 31 January 2014	Final Annual Report approved by council on 31 January 2014	Final Annual Report approved by council on 31 Jan 2014	Operational	Operational	Final Annual Report approved by council on 31 Jan 2014	Target achieved. Final Annual Report approved by council on 31 January 2014	n/a	n/a	Operational	MM / All Directors
33	Improved Governance and Organisational Excellence	SDBIP	To ensure that the SDBIP is done within the legislated framework	SDBIP approved by Mayor 28 days after adoption of budget/IDP/PMS	SDBIP approved by Mayor 28 days after adoption of budget/IDP/PMS	Operational	Operational	SDBIP approved by Mayor 28 days after adoption of budget/IDP/PMS	Target achieved. SDBIP approved by Mayor 28 days after adoption of budget /IDP/PMS	n/a	n/a	Operational	PMS /MM
22	Improved Governance and Organisational Excellence	Annual Report	To compile the Draft Annual Report and submit to council by 31 Dec 2013	Draft Annual Report adopted by Council on 31 Dec 2013	Draft Annual Report adopted by Council on 31 Dec 2013	Operational	Operational	Draft Annual Report adopted by Council on 31 Dec 2013	Target achieved. Draft Annual Report adopted by Council by 31 December 2013	n/a	n/a	Operational	MM/ All Directors

54	Improved Governance and Organisational Excellence	OPMS	To ensure annual implementation of the performance management system in the organisation	# Quarterly performance reports submitted to Council	4	Operational	Operational	4	Target achieved. 4 x Quarterly Performance reports submitted to Council	n/a	n/a	Operational	PMS/MM
54	Improved Governance and Organisational Excellence	EPMS	To ensure that S57 Managers sign the performance agreement within legislated framework.	% S57 staff with signed performance agreements	100% (5/5)	Operational	Operational	100% (5/5)	Target not achieved. 60% (3/5 of S54 & S56 managers signed performance agreements)	2 x S56 positions were vacant (CFO & Director Corporate Services)	Expedite the appointment of CFO & Director Corporate Services	Operational	MM
54	Improved Governance and Organisational Excellence	EPMS	To ensure implementation of the performance management system in the organisation	Annual formal assessments (S57) for 2012/2013 conducted	1	Operational	Operational	1 formal assessment (1 annual)	Target achieved. 1x Annual formal assessments for 2012 2013 conducted	n/a	n/a	Operational	PMS/MM
54	Improved Governance and Organisational Excellence	Audit Committee	To ensure functionality of Audit committee	# of meetings held	4	Operational	Operational	4	Target achieved. 4 x formal meetings held. 3 x special meetings held	n/a	n/a	Operational	Internal Audit/MM
54	Improved Governance and Organisational Excellence	Risk	To ensure functionality of Risk committee.	# of meetings held	4	Operational	Operational	4	Target not achieved. 1 x meetings held 3 x meetings not held	Rescheduling due to other municipality activities	Enforce adherence to Risk committee schedule by adding attendance of Risk committee	Operational	Risk/MM

Vote NO	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/2014	Budget Adjustment 2013/201	Annual target	Annual achievements / Progress made	Challenges	Intervention	Expenditure	Project Owner
54	Improved Governance and Organisational Excellence	CORPS	To ensure functionality of Council committee.	# of meetings held	6	Operational	Operational	4	Target achieved. 4 x Quarterly meetings held 8 x special meetings held	n/a	n/a	Operational	CORPS/MM
	Improved Governance and Organisational Excellence	CORPS	To ensure functionality of Exco committee	# of meetings held	6	Operational	Operational	4	Target achieved. 4 x scheduled EXCO meetings held 8x special meetings held	n/a	n/a	Operational	CORPS/MM
54	Improved Governance and Organisational Excellence	EPMS	To ensure implementation of the performance management system in the organisation	Mid-Year formal assessment (S57) for 2013/2014 conducted	1	Operational	Operational	1 (Mid-Year formal asse	Target achieved. 1 x (Mid-Year formal assessment (S57) for 2013/2014) conducted	n/a	n/a	Operational	PMS/MM
54	Improved Governance and Organisational Excellence	Audit	To assess and evaluate the municipal performance information	# of performance audit reports issued	4	Operational	Operational	4	Target achieved. 4 performance audit reports issued.	n/a	n/a	Operational	Internal Audit
54	Improved Governance and Organisational Excellence	Internal Audit	To develop the 3 year internal audit plan	Approval of internal audit plan and implementation.	1	Operational	Operational	100%	Target not achieved. 70% of the IA plan implemented	Shortage of staff. Non submission of quarterly financial statements for audit.	Utilisation of teammate software to improve efficiency	Operational	MM

54	Improved Governance and Organisational Excellence	Operation clean audit	To attain Clean Audit by ensuring compliance to all governance; financial management and reporting requirements by 2014	# of Internal Audit issues resolved versus # of issues raised	30	Operational	Operational	100%	Target not achieved. 22% (8 implemented / 36 findings)	Non implementation of IA action plan	IA action plan to be a standing item on Management meeting	Operational	All Directors/MM
54	Improved Governance and Organisational Excellence	Operation clean audit	To attain Clean Audit by ensuring compliance to all governance; financial management and reporting requirements by 2014	# of Auditor General issues resolved versus # of issues raised	63 issues raised	Operational	Operational	0	Target not achieved. 53/56 AG 2012/2013 audit issues resolved	Non implementation of AG audit action plan	AG audit action plan to be a standing item on Management meetings. Implementation of AG action plan to be included in the Performance Agreement of the	Operational	All Directors/MM
54	Improved Governance and Organisational Excellence	Risk management	To ensure effective implementation of risk mitigations actions June 2014.	# Risk issues implemented / resolved versus # of risks identified	10	Operational	Operational	100%	Target not achieved. 30% (3 resolved/7 risks identified)	Non implementation of risks action plan	Risk management to be included in the Performance Agreements of the Directors.	Operational	Risk/MM

**KPA 1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL
DEVELOPMENT PROJECTS**

OUTPUT 1: IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT, OUTPUT 4: ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOMES

Vote No	Strategic Objective	Programme	Measurable Objective	Project / Initiative	Budget 2013/14	Budget Adjustment 2013/2014	Annual target	Start Date	Completion Date	Annual Achievements / Progress made	Challenges	Intervention	Expenditure	Project Owner
54	Improved Governance and Organisational Excellence	Furniture & Equipment	To purchase 6 fax machines, 2 steel filing cabinets, 2 mobile units and 3 flip chart boards	Fax machines (6), steel filing cabinets (2), mobile units (2) and flip chart boards (3)	155 000.00	155 000.00	To purchase 6 fax machines, 2 steel filing cabinets, machines, 2 mobile units and 3 flip chart boards	01/10/2013	30/06/2014	Target not achieved. 3 fax machines purchased. Service provider appointed - 3 x fax machines, 2 steel cabinet, 2 mobile units and 3 flip charts board not purchased.	Slow procurement processes.	Adherence to procurement plan	R 22 072.68	CORPS
54	Improved Governance and Organisational Excellence	Furniture & Equipment	To purchase office furniture	Office furniture	600 000.00	255 000.00	To purchase office furniture	01/10/2013	30/06/2014	Target not achieved. Office Furniture not purchased. Target not achieved	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS
39	Improved Governance and Organisational Excellence	Information Technology	To purchase colour printers 4, and laptops(10)	Colour printers 4, and laptops 10	300 000.00	300 000.00	To purchase colour printers 4 and laptops 10	01/10/2013	30/06/2014	Target not achieved. 4x Laptops purchased. 6x laptops and 4 x Colour printers not purchased	Slow procurement processes.	Adherence to procurement plan	R 50 343	CORPS
54	Improved Governance and Organisational Excellence	Property Services	To purchase 5 aqua coolers	Aqua coolers (5) and camera	5 000.00	0.00	To purchase 5 aqua coolers	01/01/2014	31/03/2014	Removed during budget adjustment				

54	Improved Governance and Organisational Excellence	Property Services	To purchase filling cabinet for PMU Office	Filling Cabinet for PMU Office	10 000.00	10 000.00	To purchase filling cabinet for PMU Office	01/01/2014	30/06/2014	Target not achieved. Filling cabinet for PMU Office not purchased. Target not achieved	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS
54	Improved Governance and Organisational Excellence	Property Services	Building of counter at registry office	Building a counter for registry	20 000.00	20 000.00	Building of counter at registry office	01/10/2013	30/06/2014	Target not achieved. Counter at registry office not built. Target not achieved	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS
54	Improved Governance and Organisational Excellence	Property Services	Purchasing of printer for registry, shredding machine, conventional tent, tables 2 and fax machine	Printer for registry, shredding machine, conventional tent (gazebo), tables 2 and fax machine	88 000.00	88 000.00	To purchase Printer for registry, shredding machine, conventional tent (gazebo), tables 2 and fax machine	01/10/2013	30/06/2014	Target not achieved. Gazebo & 2 tables purchased. Printer, shredding machine and fax machine not purchased	Slow procurement processes.	Adherence to procurement plan and fast track the process	R 8 798	CORPS
54	Improved Governance and Organisational Excellence	Property Services	Purchasing of mobile filing cabinet	Mobile filing cabinet	60 000.00	60 000.00	To purchase Mobile filing cabinet	01/10/2013	30/06/2014	Target not achieved. Mobile filing cabinet not purchased.	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS

54	Improved Governance and Organisational Excellence	Property Services	To install mounted projectors for Mayor and MM's boardrooms; and Council Chamber	Projectors for boardrooms and Council Chamber	100 000.00	100 000.00	To install mounted projectors for Mayor and MM's boardrooms; and Council Chamber	01/10/2013	30/06/2014	Target not achieved. Mounted projectors for Mayor and MM's boardrooms and Council Chamber not installed.	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS
54	Integrated Sustainable Development	IDP	To review the IDP	IDP Review	Operational	Operational	Final IDP approved by council.	01/07/2013	30/06/2014	Target achieved. Final IDP is approved by Council	n/a	n/a	Operational	INDEP/PMS
54	Improved Governance and Organisational Excellence	SDBIP	To review the SDBIP	SDBIP Review	Operational	Operational	SDBIP approved by Mayor 28 days after adoption of budget/IDP/PMS	01/07/2013	30/06/2014	Target achieved. SDBIP is approved within 28 days by the Mayor	n/a	n/a	Operational	MM
54	Improved Governance and Organisational Excellence	Bursary Scheme	To fund good performing student from needy families	Bursary Scheme	1 056 570.00	1 056 570.00	Bursary Scheme fully implemented (applications adjudicated and payments effected to all students)	01/07/2013	30/06/2014	Target achieved. Bursary Scheme fully implemented (applications adjudicated and payment effected to 32 students)	n/a	n/a	R 1 064 593.42	MM
54	Improved Governance and Organisational Excellence	Risk Management	To train the Risk committee	Risk Committee Training	118 272.00	60 000.00	Risk Committee Training	01/07/2013	31/12/2013	Target achieved. The risk committee was trained.	n/a	n/a	R 7 642.60	MM
54	Improved Governance and Organisational Excellence	Risk Management	Conducting of Risk Assessment	Risk Assessment	59 000.00	59 000.00	Risk Assessment report	31/03/2014	30/06/2014	Target achieved. Risk assessment conducted and report available.	n/a	n/a	R 260.73	MM
54	Improved Governance and Organisational Excellence	OHS	To purchase and install signs and posters at offices	OHS Signs and posters	50 000.00	20 000.00	OHS Signs and posters	01/10/2013	30/06/2014	Target not achieved. OHS Signs and posters not purchased and installed.	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS

54	Improved Governance and Organisational Excellence	OHS	Purchase and distribute safety clothing to employees	Protective Clothing	400 000.00	400 000.00	Protective clothing	01/10/2013	31/03/2014	Target achieved. Protective clothing purchased.	n/a	n/a	R249 649 62	CORPS
45	Improved Human Resource	Skills Development	To develop the WSP by 30 June 2014	Workplace Skills Plan	300 000.00	300 000.00	Final WSP submitted	01/07/2013	30/04/2014	Target achieved. WSP developed and implemented.	n/a	n/a	R 178 089.00	CORPS
39	Improved Governance and Organisational Excellence	Information Technology	Networking of Kgapane, Senwamokgope and Mokwakwaila sub-offices	Networking of sub-offices	250 000.00	250 000.00	Networking of sub-offices	01/10/2013	30/06/2014	Target not achieved. Networking of sub-offices not done.	Delay by SITA	Make follow-up with SITA	R 0.00	CORPS
39	Improved Governance and Organisational Excellence	Information Technology	Upgrading of Information Technology System	Network upgrade	200 000.00	0.00	Network upgraded	01/10/2013	31/03/2014	Removed during budget adjustment				CORPS
39	Improved Governance and Organisational Excellence	Information Technology	Develop maintenance Plan for all IT Systems	Maintenance Plan for all IT Systems	100 000.00	10 000.00	Maintenance Plan for all IT Systems	01/10/2013	30/06/2014	Target not achieved. Maintenance plan for all IT Systems not done.	Slow procurement processes	Adherence to procurement plan	R 0.00	CORPS
39	Improved Governance and Organisational Excellence	Internal Audit	Purchase and install Teammate Software (Internal Audit)	Teammate Software (Internal Audit)	200 000.00	200 000.00	Teammate Software (Internal Audit)	2013/01/10	30/06/2014	Target not achieved. Teammate software not purchased and installed. Service provider appointed	Slow procurement processes	Adherence to procurement plan	R 0.00	MM

35	Improved Governance and Organisational Excellence	Human Resources	Security features at Customer Care office	Security features at Customer Care office	25 000.00	9 000.00	Security features at Customer Care office	01/10/2013	31/03/2014	Target achieved. Security features at Customer Care office procured	n/a	n/a	R 9 000.00	CORPS
35	Improved Governance and Organisational Excellence	Human Resources	Purchasing and pasting of office signage and labels	Office signage and labelling	60 000.00	60 000.00	Office signage and labelling	01/10/2013	30/06/2014	Target achieved. Service provider appointed. Office signage and labelling done	n/a	n/a	R 21 575	CORPS
35	Improved Governance and Organisational Excellence	Human Resources	To develop employees satisfaction survey	Employees satisfaction survey	Operational	Operational	Adoption of strategy by Council	01/07/2013	30/06/2014	Target not achieved. Strategy not yet adopted by Council. Employee Satisfaction Survey Pilot study conducted.	Low response rate	Main study to be conducted in the 1st Qtr. Of 2014/2015	R 0.00	CORPS
35	Improved Governance and Organisational Excellence	Human Resources	To develop ghost verification plan	Ghost verification	Operational	Operational	Ghost verification	01/10/2013	31/12/2013	Target achieved. Ghost verification conducted	n/a	n/a	n/a	CORPS
35	Improved Governance and Organisational Excellence	Human Resource	To review delegation of powers and functions	Review delegation of powers and functions	Operational	Operational	Adoption of delegation of powers and functions by Council	01/10/2013	30/06/2014	Target not achieved. Delegation of powers and functions were not reviewed.	Policy review sessions were not held	Review during the 1st Qtr. of 2014/2015	Operational	MM/ All Directors

**KPA 2 BASIC SERVICE DELIVERY AND
INFRASTRUCTURE KEY PERFORMANCE INDICATORS**

Vote No)	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/14	Budget Adjustment 2013/2014	Annual target	Annual achievements / Progress	Challenges	Intervention	Expenditure	Project Owner
22	Integrated and Sustainable Human Settlement	Spatial Planning	To ensure proper housing coordination to submit Database to COGHSTA by the 31Dec 2013	House demand database submitted within timeframe	Database submitted to COGHSTA by the 31Dec 2013	Operational	Operational	Database submitted to COGHSTA by the 31Dec 2013	Target achieved. Data base was submitted to COGHSTA for consideration in allocation of low cost housing units	n/a	n/a	Operational	INDEP
22	Integrated and Sustainable Human Settlement	Spatial Planning	To ensure proper land use management 30 June 2014	% land use applications processed (# of land use applications received / # of applications processed)	100%	Operational	Operational	100%	Target achieved 100% (75/75)	n/a	n/a	Operational	INDEP

KPA 2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE PROJECTS
OUTCOME NINE (OUTPUT 2: IMPROVING ACCESS TO BASIC SERVICES, OUTPUT 3: IMPLEMENTATION OF THE COMMUNITY WORK
PROGRAMME)

Vote Nr	Strategic Objective	Programme	Measurable Objective	Project / Initiative	Budget 2013/14	Budget Adjustment 2013/2014	Annual target	Start Date	Completion Date	Annual Achievements/ Progress to	Challenges	Intervention	Expenditure	Project Owner
54	Access to Sustainable Basic Services	Property Services	To purchase 8 air conditioners by 30 June 2014.	Air Conditioners	40 000.00	40 000.00	To purchase 8 air conditioners by 30 June 2014.	01/01/2014	30/06/2014	Target not achieved. 8 x air conditioners not purchased.	Slow procurement processes	Adherence to procurement plan	R 0.00	INDEP/CFO/MM
54	Access to Sustainable Basic Services	Property Services	Construction of security Gate at DLTC Modjadjiskloof by 30 June 2014	Security Gate at DLTC Modjadjiskloof	20 000.00	20 000.00	Construction of security gate at DLTC Modjadjiskloof by 30 June 2014	01/10/2013	30/06/2014	Target achieved. Security gate constructed at DLTC	n/a	n/a	R 18 285.60	COMM
54	Access to Sustainable Basic Services	Property Services	The renovation of Municipal Workshop by 30 June 2014	Renovation of Municipal Workshop	500 000.00	300 000.00	The renovation of Municipal Workshop by 30 June 2014	01/01/2014	30/06/2014	Target not achieved. Municipal workshop not renovated.	Service providers have priced above the budget	Allocate sufficient budget in 2014/2015 FY	R 0.00	INDEP
54	Access to Sustainable Basic Services	Community Facilities	Construction of Rotterdam Community Hall by 30 June 2014	Rotterdam Community Hall	2 400 000.00	0.00	Construction of Rotterdam Community Hall by 30 June 2014	01/10/2013	30/06/2014	Removed during budget adjustment			INDEP	

54	Access to Sustainable Basic Services	Street Lighting	Erection of 16 high mast lights at Abel, Moroatshehla, Thakgalang, Mapaana, Shamfana, Mmamokgadi, Malematja and Mamphakathi villages by 30 June 2014	High mast lights in villages	4 800 000.00	3 360 000.00	Erection of high mast lights in villages by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. High mast lights in villages not erected. Service provider appointed	Slow procurement processes	Continuous monitoring of the service provider	R 0.00	INDEP
54	Access to Sustainable Basic Services	Sports and Recreation	Construction of Ga- Kgapanne Parks (Below Civic Centre and Mesopotamia) by 30 June 2014	Construction of Ga- Kgapanne Parks	2 600 000.00	2 889 080.00	Construction of Ga-Kgapane Parks	01/07/2013	30/06/2014	Target not achieved. Ga-Kgapane parks not constructed.	Slow procurement processes	Continuous monitoring of the service provider	R 0.00	COMM
31	Access to Sustainable Basic Services	Sports and Recreation	Enhancement & Beautification of Modjadjiskloof Town Entrances by 30 June 2014	Enhancement & Beautification of Town Entrances	300 000.00	300 000.00	Enhancement & Beautification of Town Entrances	01/07/2013	30/06/2014	Target not achieved. Enhancement and Beautification of Town entrances not done.	Slow procurement processes	Continuous monitoring of the service provider	R 0.00	COMM
39	Access to Sustainable Basic Services	Vehicle Licencing and Test	Purchasing of Traffic signs by 31 Dec 2013	Traffic Signs	100 000.00	100 000.00	Purchasing of Traffic signs by 31 Dec 2013	01/07/2013	31/12/2013	Target achieved. Traffic signs purchased	none	none	R 98 568.00	COMM
39	Access to Sustainable Basic Services	Vehicle Licencing and Test	Purchasing of Uniform for Traffic Interns by 31 December 2013	Uniform for Traffic Interns	100 000.00	100 000.00	Purchasing of Uniform for Traffic Interns by 31 December 2013	01/07/2013	31/12/2013	Target achieved. Uniform for Traffic Interns purchased	none	none	R 89 214.00	COMM
34	Improved Local Economy	Sports and Recreation	To organise SAIMSA games by 31 Dec 2013	SAIMSA games	500 000.00	0.00	To organise SAIMSA games by 31 Dec 2013	01/07/2013	31/12/2013	Removed during budget adjustment				CORPS

31	Access to Sustainable Basic Services	Sports and Recreation	Construction of 3 outdoor gyms at GaKgapane, Modjadjiskloof and Senwamokgope by 30 June 2014	Outdoor gyms (3)	1 500 000.00	0.00	Construction of 3 outdoor gyms at GaKgapane, Modjadjiskloof and Senwamokgope by 30 June 2014	01/10/2013	30/06/2014					COMM
34	Access to Sustainable Basic Services	Waste Management	To procure compactor for refuse collection by 30 June 2014	Compactor	500 000.00	600 000.00	To procure compactor for refuse collection by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. Compactor for refuse collection not procured.	Under budgeted	Budget in the next financial year	R 0.00	COMM
34	Access to Sustainable Basic Services	Waste Management	Construction of 3 x transfer stations by 30 June 2014	Transfer stations	1 800 000.00	1 700 000.00	Construction of 3 x transfer stations by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. 2 x transfer stations constructed.	Delay in finding a suitable place in Modjadjiskloof	The service provider to speed up and finish in the First Qtr. of the next FY	R 1 013 043.63	COMM
34	Access to Sustainable Basic Services	Waste Management	To procure 14 skip bins by 30 June 2014	Skip bins (14)	350 000.00	350 000.00	To procure 14 skip bins by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. 14 skip bins not procured.	Slow procurement processes	Follow-up on delivery	R 0.00	COMM
34	Access to Sustainable Basic Services	Library Services	To procure versa trolleys by 30 June 2014	Versa trolleys	50 000.00	50 000.00	To procure versa trolleys by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. Versa trolleys not procured.	Slow procurement processes	Follow-up on delivery	R 0.00	COMM
34	Access to Sustainable Basic Services	Waste Management	To procure skip truck by 30 June 2014	Skip truck	900 000.00	900 000.00	To procure skip truck by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. Skip truck not procured.	Slow procurement processes	Follow-up on delivery	R 0.00	COMM
34	Access to Sustainable Basic Services	Waste Management	To procure bakkie for waste management by 30 June 2014	Waste bakkie	250 000.00	250 000.00	To procure bakkie for waste management by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. Bakkie for waste management not procured.	Slow procurement processes	Follow-up on delivery	R 0.00	COMM
34	Access to Sustainable Basic Services	Waste Management	Fencing of municipal landfill site by 30 June 2014	Landfill site	10 000 00.00	1 050 000.00	Fencing of municipal landfill site by 30 June 2014	01/01/2014	30/06/2014	Target not achieved. Fencing of municipal landfill site not done.	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	COMM

29	Access to Sustainable Basic Services	Road and Stormwater	Advertise to construct bridge at Ga-Kgapane Stadium by 30 June 2014	Ga-Kgapane Stadium Bridge	5 800 000.00	5 800 000.00	Advertise to construct bridge at Ga-Kgapane Stadium by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Advertising to construct bridge at Ga-Kgapane stadium done.	n/a	n/a	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Advertise to construct a bridge to Shawela graveyard by 30 June 2014	Shawela Bridge	5 200 000.00	5 200 000.00	Advertise to construct a bridge to Shawela graveyard by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Advertising to construct a bridge at Shawela graveyard done.	n/a	n/a	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	To purchase two (2) graders by 30 June 2014	Graders	5 000 000.00	5 000 000.00	To purchase two (2) graders by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. 2 x graders not purchased.	n/a	n/a	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	To purchase water cart for roads maintenance by 30 June 2014	Water Cart	600 000.00	700 000.00	To purchase water cart for roads maintenance by 30 June 2014	01/10/2013	30/06/2014	Target achieved. Water cart procured	n/a	n/a	R 695 415.96	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	To purchase TLB (Backhoe Loader) for roads maintenance by 30 June 2014	TLB (Backhoe loader)	682 000.00	702 000.00	To purchase TLB (Backhoe Loader) for roads maintenance by 30 June 2014	01/10/2013	30/06/2014	Target achieved. TLB procured	n/a	n/a	R 701 754.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	To purchase a tipper truck by 30 June 2014	Tipper truck	620 000.00	640 000.00	To purchase a tipper truck by 30 June 2014	01/10/2013	30/06/2014	Target achieved. Tipper Truck procured	n/a	n/a	R 566 834.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	To purchase bulldozer by 30 June 2014	Bulldozer	2 600 000.00	2 600 000.00	To purchase bulldozer by 30 June 2014	01/10/2013	30/06/2014	Target achieved. Bulldozer procured	n/a	n/a	R 2 964 000.00	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Design of 2,2 km streets from gravel to paving blocks at Mothobeki by 30 June 2014	Mothobeki Street Paving	450 000.00	450 000.00	Design of 2,2 km streets from gravel to paving blocks at Mothobeki by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 2.2km street from gravel to paving blocks at Mothobeki not completed.	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 2,2 km streets from gravel to paving blocks at Mamaila Phaphadi by 30 June 2014	Mamaila Phaphadi Street Paving	450 000.00	450 000.00	Design of 2,2 km streets from gravel to paving blocks at Mamaila Phaphadi by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 2.2km street from gravel to paving blocks at Mamaila Phaphadi not completed.	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 1,1 km streets from gravel to paving blocks at Phooko Headkraal by 30 June 2014	Phooko Headkraal Street Paving	320 000.00	320 000.00	Design of 1,1 km streets from gravel to paving blocks at Phooko Headkraal by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 1.1km street from gravel to paving blocks at Phooko Headkraal not completed.	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 2,2 km streets from gravel to paving blocks at Raphahlelo Headkraal by 30 June 2014	Raphahlelo Street Paving	450 000.00	450 000.00	Design of 2,2 km streets from gravel to paving blocks at Raphahlelo Headkraal by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 2.2km street from gravel to paving blocks at Raphahlelo Headkraal not completed.	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Jamela village for 1,8 km by 30 June 2014	Jamela Street Paving	3 600 000.00	5 300 000.00	Upgrading of streets from gravel to paving blocks at Jamela village for 1,8 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Jamela village for 1,8 km not completed.	Slow procurement processes	Adherence to procurement plan	R 615 553.00	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Sedibeng village for 2,5 km by 30 June 2014	Sedibeng Street Paving	6 000 000.00	6 000 000.00	Upgrading of streets from gravel to paving blocks at Sedibeng village for 2,5 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Sedibeng village for 2,5 km not completed	Slow procurement processes	Adherence to procurement plan	R 852 050.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Sefototse village for 1,8km by 30	Sefototse Street Paving	3 600 000.00	2 080 000.00	Upgrading of streets from gravel to paving blocks at Sefototse village for 1,8km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Sefototse village for 1,8km not completed	The contractor did not accept appointment. Low tender price by the contractor. Slow tender process	Termination of contract.	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Rotterdam (Duvula) for 1,2km by 30 June 2014	Rotterdam (Duvula) Street Paving	3 200 000.00	2 916 000.00	Upgrading of streets from gravel to paving blocks at Rotterdam (Duvula) for 1,2km by 30 June 2014	01/07/2013	30/06/2014	target not achieved. Upgrading of streets from gravel to paving blocks at Rotterdam (Duvula) for 1,2km not completed	Slow procurement processes	Adherence to procurement plan	R 2 055 166.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Mamaila Kolobetona for 1,2 km by 30 June 2014	Mamaila Kolobetona Street Paving	3 200 000.00	2 332 800.00	Upgrading of streets from gravel to paving blocks at Mamaila Kolobetona for 1,2 km by 31 March 2014	01/07/2013	30/06/2014	Target achieved. Upgrading of streets from gravel to paving blocks at Mamaila Kolobetona for 1,2 km is	None	None	R 2 149 925.00	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Rotterdam (Mahonsi) for 0,7 km by 30 June 2014	Rotterdam (Mahonsi) Street Paving	2 000 000.00	3 337 200.00	Upgrading of streets from gravel to paving blocks at Rotterdam (Mahonsi) for 0,7 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Rotterdam (Mahonsi) for 0,7 km not completed	The contractor did not accept appointment. Low tender price by the contractor. Slow tender process	Termination of contract.	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Medingen for 2,0 km by 30 June 2014	Medingen Street Paving	5 500 000.00	6 156 000.00	Upgrading of streets from gravel to paving blocks at Medingen for 2,0 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Medingen for 2,0 km not completed	Slow procurement processes	Adherence to procurement plan	R 430 087.80	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Matswi for 1,8 km by 30 June 2014	Matswi Street Paving	4 600 000.00	7 623 720.00	Upgrading of streets from gravel to paving blocks at Matswi for 1,8 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Matswi for 1,8 km not completed	Slow procurement processes	Adherence to procurement plan	R 2 159 446.00	INDEP
	Access to Sustainable Basic Services	Road and Stormwater	Design to improve access to existing taxi rank at Mokwakwaila for 1km by 30 June 2014	Access road to Mokwakwaila Taxi Rank	3 100 000.00	400 000.00	Design to improve access to existing taxi rank at Mokwakwaila for 1km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design to improve access to existing taxi rank at Mokwakwaila	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Construction of gabions at Uitzicht street, Modjadjiskloof by 30 June 2014	Modjadjiskloof Gabions	1 000 000.00	1 000 000.00	Construction of gabions at Uitzicht street, Modjadjiskloof by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Construction of gabions at Uitzicht street, Modjadjiskloof not completed	Slow procurement processes	Continuous monitoring of the service provider and adherence to procurement plan timelines	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of Hill and Kerk Streets from gravel to tar for 0,8km by 30 June 2014	Upgrading of Hill and Kerk Streets	2 800 000.00	4 320 000.00	Upgrading of Hill and Kerk Streets from gravel to tar for 0,8km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of Hill and Kerk Streets from gravel to tar for 0,8km by 30 June 2014	Slow procurement processes	Continuous monitoring of the service provider	R 0.00	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Construction of sidewalks at Ga-Kgapane streets for 6km by 30 June 2014	Ga-Kgapane Sidewalks	2 500 000.00	2 000 000.00	Construction of sidewalks at Ga-Kgapane streets for 6km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Construction of sidewalks at Ga-Kgapane streets for 6km not completed.	Slow procurement processes	Adherence to procurement plan	R 0.00	INDEP
34	Access to Sustainable Basic Services	Vehicle licencing and testing	To purchase Traffic bakkie by 30 June 2014	Traffic Bakkie	250 000.00	250 000.00	To purchase Traffic bakkie by 31 March 2014	01/10/2013	30/06/2014	Target achieved. Traffic bakkie purchased	none	none	R 232 830.00	COMM
34	Access to Sustainable Basic Services	Vehicle licencing and testing	To purchase Traffic Sedan by 30 June 2014	Traffic Sedan	250 000.00	250 000.00	To purchase Traffic Sedan by 31 March 2014	01/10/2013	30/06/2014	Target achieved. Traffic sedan purchased	none	none	R 215 050.15	COMM
34	Access to Sustainable Basic Services	Vehicle licencing and testing	To purchase 6 stop watches by 31 March 2014	Stop Watches (6)	5 000.00	4 289.00	To purchase 6 stop watches by 31 March 2014	01/10/2013	31/03/2014	Target achieved. 6 stop watches	none	none	R 4 289.00	COMM
34	Access to Sustainable Basic Services	Vehicle licencing and testing	To procure road marking machine by 31 March 2014	Road marking machine	150 000.00	150 000.00	To procure road marking machine by 31 March 2014	01/10/2013	31/03/2014	Target achieved. Road marking machine purchased	none	none	R 131 550.00	COMM
52	Access to Sustainable Basic Services	Electricity Distribution	To install maximum demand metering by 30 June 2014	Maximum demand metering	1 200 000.00	1 000 000.00	To install maximum demand metering by 30 June 2014	01/01/2014	30/06/2014	Target not achieved. Maximum demand metering not installed.	Slow procurement processes.	Adherence to procurement plan	R 0.00	INDEP
52	Access to Sustainable Basic Services	Electricity Distribution	To upgrade electricity network at Modjadiskloof to NER standard - NER Compliance by 30 June 2014	Upgrading electricity network to NER standard	1 200 000.00	1 000 000.00	To upgrade electricity network at Modjadiskloof to NER standard - NER Compliance by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. Upgrading of electricity network at Modjadiskloof to NER standard - NER Compliance not done.	Slow procurement processes.	Adherence to procurement plan	R 196 416.27	INDEP

29	Access to Sustainable Basic Services	Electricity Distribution	Purchasing of bakkie for electricity maintenance by 30 June 2014	Electricity Bakkie	300 000.00	300 000.00	Purchasing of bakkie for electricity maintenance by 30 June 2014	01/10/2013	30/06/2014	Target achieved. Bakkie for electricity maintenance procured	Slow procurement processes.	None	R 321 163.80	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Thakgalang for 2,0 km by 30 June 2014	Thakgalang Street Paving	5 400 000.00	5 400 000.00	Upgrading of streets from gravel to paving blocks at Thakgalang for 2,0 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Thakgalang for 2,0 km not Complete.	Slow procurement processes.	Adherence to procurement plan	R 1 914 168.73	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Rapitsi for 0,7 km by 30 June 2014	Rapitsi Street Paving	1 800 000.00	1 800 000.00	Upgrading of streets from gravel to paving blocks at Rapitsi for 0,7 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Rapitsi for	Slow procurement processes.	Adherence to procurement plan	R 1 612 178.46	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Sekgopo for 1,0km by 30 June 2014	Sekgopo Street Paving	2 700 000.00	2 844 000.00	Upgrading of streets from gravel to paving blocks at Sekgopo for 1,0 km by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Upgrading of streets from gravel to paving blocks at Sekgopo for 1,0 km	None	None	R 2 422 183.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Mandela Park for 1,8 km by 30 June 2014	Mandela Park Street Paving	3 600 000.00	3 456 000.00	Upgrading of streets from gravel to paving blocks at Mandela Park for 1,8 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Mandela Park for	Slow procurement processes.	Continuous monitoring of the service provider and adherence to	R 3 382 473.38	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Upgrading of streets from gravel to paving blocks at Modjadji Headkraal for 1,8 km by 30 June 2014	Modjadji Headkraal Street Paving	4 900 000.00	4 900 000.00	Upgrading of streets from gravel to paving blocks at Modjadji Headkraal for 1,8 km by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Upgrading of streets from gravel to paving blocks at Modjadji Headkraal for 1,8 km not	Slow procurement processes.	Continuous monitoring of the service provider and adherence to	R 2 720 948.28	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 3.0 km Ga-Kgapane Streets from gravel to paving blocks by 30 June 2014	Ga-Kgapane Streets Upgrading	500 000.00	500 000.00	Design of 3.0 km Ga-Kgapane Streets from gravel to paving blocks by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 3.0 km Ga-Kgapane Streets from gravel to paving blocks not completed.	Slow procurement processes.	Continuous monitoring of the service provider and adherence to procurement	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 1,8 km Senwamokgope Streets from gravel to paving blocks by 30 June 2014	Senwamokgope Streets Upgrading	500 000.00	500 000.00	Design of 1,8 km Senwamokgope Streets from gravel to paving blocks by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 1,8 km Senwamokgope Streets from gravel to paving blocks not completed.	Slow procurement processes.	Continuous monitoring of the service provider and adherence to procurement plan	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 2 km Modjadji Valley Streets from gravel to paving blocks by 30 June 2014	Modjadji Valley Streets Upgrading	400 000.00	400 000.00	Design of 2 km Modjadji Valley Streets from gravel to paving blocks by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 2 km Modjadji Valley Streets from gravel to paving blocks not completed.	Slow procurement processes.	Continuous monitoring of the service provider and adherence	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 1,2 km streets from gravel to paving blocks at Kuranta by 30 June 2014	Kuranta Street Paving	400 000.00	400 000.00	Design of 1,2 km streets from gravel to paving blocks at Kuranta by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 1,2 km streets from gravel to paving blocks at Kuranta not completed.	Slow procurement processes.	Continuous monitoring of the service provider and adherence	R 0.00	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Design of 2 km streets from gravel to paving blocks at Mokgoba by 30 June 2014	Mokgoba Street Paving	400 000.00	400 000.00	Design of 2 km streets from gravel to paving blocks at Mokgoba by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 2 km streets from gravel to paving blocks at Mokgoba not completed.	Slow procurement processes.	Continuous monitoring of the service provider and adherence to	R 0.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Design of 2 km streets from gravel to paving blocks at Ratjeke by 30 June 2014	Ratjeke Street Paving	400 000.00	400 000.00	Design of 2 km streets from gravel to paving blocks at Ratjeke by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of 2 km streets from gravel to paving blocks at Ratjeke not completed.	Slow procurement processes.	Continuous monitoring of the service provider and adherence to	R 0.00	INDEP
29	Access to Sustainable Basic Services	Community Facilities	Construction of market stalls at Maphalle by 30 June 2014	Maphalle Market Stalls	500 000.00	500 000.00	Construction of market stalls at Maphalle by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Market stalls at Maphalle not constructed.	Slow procurement processes.	Allocate sufficient budget in 2014/2015 FY	R 0.00	INDEP
29	Access to Sustainable Basic Services	Community Facilities	Design of Library for construction at Senwamokgope by 30 June 2014		250 000.00	250 000.00	Design of Library for construction at Senwamokgope by 30 June 2014	01/07/2013	30/06/2014	Target not completed. Design of Library for construction at Senwamokgope not completed.	Slow procurement processes.	Continuous monitoring of the service provider	R 0.00	INDEP

29	Access to Sustainable Basic Services	Community Facilities	Design of Library for construction at Sekgopo by 30 June 2014	Sekgopo Library	250 000.00	250 000.00	Design of Library for construction at Sekgopo by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Design of Library for construction at Sekgopo not completed.	Slow procurement processes.	Continuous monitoring of the service provider	R 0.00	INDEP
29	Access to Sustainable Basic Services	Community Facilities	Upgrading and renovation of Kgapane Stadium by 30 June 2014	Ga-Kgapane Stadium	1 000 000.00	1 000 000.00	Upgrading and renovation of Kgapane Stadium by 30 June 2014	01/01/2014	30/06/2014	Target not achieved. Upgrading and renovation of Kgapane Stadium not done.	Slow procurement processes.	Adherence to procurement plan	R 0.00	INDEP
29	Access to Sustainable Basic Services	Community Facilities	Construction of Lebaka Sports Complex phase III by 30 June 2014	Lebaka Sports Complex	9 320 000.00	9 320 000.00	Construction of Lebaka Sports Complex phase III by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Construction of Lebaka Sports Complex phase II completed.	none	none	R 8 795 307.00	INDEP
29	Access to Sustainable Basic Services	Community Facilities	Construction of Sekgopo Sports complex phase III by 30 June 2014	Sekgopo Sports complex	6 740 000.00	6 740 000.00	Construction of Sekgopo Sports complex phase III by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Construction of Sekgopo Sports complex phase II completed.	None	none	R 6 863 749.00	INDEP
29	Access to Sustainable Basic Services	Community Facilities	Construction of Shaamiriri Sports Complex phase III by 30 June 2014	Shaamiriri Sports Complex	7 890 000.00	7 890 000.00	Construction of Shaamiriri Sports Complex phase III by 30 June 2014	01/10/2013	30/06/2014	Target not achieved. Construction of Shaamiriri Sports Complex phase III completed.	Slow procurement processes.	Adherence to procurement plan	R 7 300 214.00	INDEP

29	Access to Sustainable Basic Services	Road and Stormwater	Development of Intergrated Roads & Transport Plan by 30 June 2014	Intergrated Roads & Transport Plan	400 000.00	650 000.00	Complete draft Integrated Roads & Transport Plan	01/10/2013	30/06/2014	Target not achieved. Integrated Roads and Transport pan not completed.	Slow procurement processes.	Continuous monitoring of the service provider	R 0.00	INDEP
29	Access to Sustainable Basic Services	Electricity Distribution	Development of Electricity Master Plan by 31 March 2014	Electricity Master Plan	845 800.00	845 800.00	Developme nt of Electricity Master Plan by 31 March 2014	01/10/2013	31/03/2014	Target achieved. Developmen t of Electricity Master Plan completed.	None	None	R 889 012.00	INDEP
29	Access to Sustainable Basic Services	Road and Stormwater	Repairing of two (2) graders standing at ELB by 30 June 2014	Repairing of graders	500 000.00	1 100 000.00	Repairing of two (2) graders standing at ELB by 30 June 2014	01/01/2014	30/06/2014	Target not achieved. 2 graders standing at ELB not repaired.	Slow procurement processes.	Continuous monitoring of the service provider	R 0.00	INDEP
22	Integrated and Sustainable Human Settlement	Planning and Development	To peg sites at Vrystaat Farm - Modjadjiskloof by 30 September 2013	Site pegging (Vrystaat)	200 000.00	200 000.00	Site pegging (Vrystaat)	01/07/2013	30/09/2013	Target achieved. Vrystaat site pegged.	none	none	R 159 000.00	INDEP
2	Integrated and Sustainable Human Settlement	Planning and Development	Advertise to peg sites at Modjadjiskloof Extension 11 by 30 June 2014	Pegging of Modjadjiskloof Extension 11 sites	100 000.00	100 000.00	Advertisem ent for Pegging of sites	01/01/2014	30/06/2014	Target not achieved. Advertisem ent for pegging of sites done.	Slow procurement processes	Adherence to procurement plan	R 0.00	INDEP
2	Integrated and Sustainable Human Settlement	Planning and Development	Rezoning and demarcation of parks at Ga-Kgapane by 30 June 2014	Rezoning of Kgapane Parks	350 000.00	350 000.00	Rezoning progress1 00% complete d	01/07/2013	30/06/2014	Target not achieved. Rezoning of Kgapane parks not completed.	Slow procurement processes	Adherence to procurement plan. Continuous monitoring of service	R 273 350.00	INDEP
2	Integrated and Sustainable Human Settlement	Planning and Development	Review of existing Spatial Development Framework (SDF)	SDF Review	400 000.00	620 000.00	SDF Reviewed	01/07/2013	30/06/2014	Target not achieved. SDF not reviewed.	Slow procurement processes	Adhere to procurement plan	R 0.00	INDEP

**KPA 3 LOCAL ECONOMIC DEVELOPMENT
KEYPERFORMANCE INDICATORS**

Vote NO	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/2014	Budget Adjustment 2013/2014	Annual target	Annual achievements / Progress made	Challenges	Intervention	Expenditure	Project Owner
22	Integrated Sustainable Development	IDP	To ensure that draft IDP, budget and PMS are done within the legislation framework.	Draft IDP, budget and PMS adopted by 31 March 2014	Adopted by Council by 31 May 2013	Operational	Operational	Adopted by Council by 31 March 2014	Target achieved. Draft IDP, budget and PMS was developed and adopted by Council on 31 March 2014.	n/a	n/a	Operational	INDEP/CFO/MM
22	Integrated Sustainable Development	IDP	To adopt Final IDP, budget and PMS within the legislation framework.	Final IDP, budget and PMS adopted by 31 May 2014	Adopted by Council by 31 May 2014	Operational	Operational	Adopted by Council by 31 May 2014	Target achieved. Final IDP, budget and PMS was developed and adopted by Council on 29 May 2014.	n/a	n/a	Operational	INDEP/CFO/MM
22	Integrated Sustainable Development	IDP	To review, drive and monitor implementation of the IDP by 31 May 2014	% achievement of milestones on IDP/Budget/PMS process plan.		Operational	Operational	100%	Target achieved. 100% (IDP/Budget/PMS framework were reviewed and adopted by Council in time)	n/a	n/a	Operational	INDEP/MM

KPA 3 LOCAL ECONOMIC DEVELOPMENT

PROJECTS

OUTPUT 3: IMPLEMENTATION OF THE COMMUNITY WORK

Vote No	Strategic Objective	Programme	Measurable Objective	Project / Initiative	Budget 2013/2014	Budget Adjustment	Annual target	Start Date	Completion Date	Annual Achievements / Progress to date	Challenges	Interventions	Expenditure	Project Owner
22	Improved Local Economy	Planning and Development	Purchasing of land to expand development by 30 June 2014	Purchasing of land	12 000 000.00	11 000 000.00	Purchasing of land to expand development by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Land purchased.	n/a	n/a	R 10 580 000.00	INDEP
22	Improved Local Economy	Local Economic Development	Advertisement for Construction of paving at Tourism centre by 30 June 2014	Paving at Tourism Information Centre	250 000.00	250 000.00	Advertisement for Construction of paving progress 100% completed	01/01/2014	30/06/2014	Target not achieved. Advertisement not done. Construction progress is 0%.	Slow procurement processes	Adherence to procurement plan	R 0.00	INDEP
22	Improved Local Economy	Local Economic Development	Construction activities at Show Ground by 31 March 2014	GLM Show Ground	1 000 000.00	0.00	Construction activities at Show Ground by 31 March	01/07/2013	31/03/2014	Removed during budget adjustment			INDEP	
22	Improved Local Economy	Local Economic Development	Support on Youth Development Programme / project by 30 June 2014	Youth Development Programme	200 000.00	200 000.00	Support on Youth Development Programme / project by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Youth Development Programme / project not supported.	Slow procurement processes	Adherence to procurement plan	R 0.00	INDEP

KPA 3 LOCAL ECONOMIC DEVELOPMENT

PROJECTS

OUTPUT 3: IMPLEMENTATION OF THE COMMUNITY WORK

Vote No	Strategic Objective	Programme	Measurable Objective	Project / Initiative	Budget 2013/2014	Budget Adjustment	Annual target	Start Date	Completion Date	Annual Achievements / Progress to date	Challenges	Interventions	Expenditure	Project Owner
22	Improve Local Economy	Local Economic Development	Feasibility Study of Potential LED projects by 30 June 2014	Feasibility Study (LED)	350 000.00	200 000.00	Feasibility Study of Potential LED projects by 30 June 2014	01/04/2014	30/06/2014	Target not achieved. Feasibility study of potential LED Projects not conducted.	Slow procurement processes	Adherence to procurement plan. Continuous monitoring of service provider	R 0.00	INDEP
22	Improve Local Economy	Local Economic Development	Establish agro-processing initiatives and support by 30 June 2014	Agro-processing projects	316 000.00	216 000.00	Establish agro-processing initiatives and support by 30 June 2014	01/07/2013	30/06/2014	Target not achieved. Agro-processing initiatives and support not established.	Slow procurement processes	Adherence to procurement plan. Continuous monitoring of service provider	R 0.00	INDEP
22	Improve Local Economy	Local Economic Development	To do feasibility study by 31 December 2013	Feasibility Study of Manokwe Caves	250 000.00	250 000.00	Feasibility study 100% completed	01/07/2013	31/12/2013	Target achieved. Feasibility study conducted (100%)	none	none	R 186 994.74	INDEP
22	Improve Local Economy	Planning and Development	To demarcate and peg sites at Goudplaas by 31 December 2013	Demarcation of sites - Goudplaas	400 000.00	400 000.00	Demarcation progress 100% completed	01/07/2013	31/12/2013	Target not achieved Demarcation progress at 0%. Service provider	Delay by the Pheeha CPA to authorize processes	Engage the CPA	R 545 672.40	INDEP

22	Improve d Local Economy	Local Economic Development	To review the LED strategy by 31 December 2013	Reveiw of LED strategy (MSIG)	200 000.00	200 000.00	Reveiwed LED strategy (MSIG)	01/07/2013	30/12/2013	Target not achieved. LED Strategy not reviewed.	The service provider did not accept the tender. Low pricing by the service provider.	Re-advertisemen t of the project	R 0.00	INDEP
22	Improve d Local Economy	Local Economic Development	To attend and participate in Tourism Indaba by 30 June 2014	Tourism Indaba	150 000.00	150 000.00	To attend and participate in Tourism Indaba by 30 June 2014	01/07/2013	30/06/2014	Target achieved. Tourism Indaba event was attended.	None	None	R 117 899.79	INDEP
22	Improve d Local Economy	Environmental Management	To organize and conduct environmental programme within the municipality by 30 June 2014	Environmental Programmes	274 000.00	274 000.00	To organize and conduct environmental programme within the municipality by 30 June 2014	01/07/2013	30/06/2014	Target achieved. 4 Environmental campaigns conducted	none	none	R 146 716.64	COMM
34	Improve d Local Economy	Sports and Recreation	To organise the rainmaking ceremony by 30 June 2014	Rain making ceremony	100 000.00	100 000.00	Rain making ceremony	01/07/2013	30/06/2014	Target not achieved. Rain making ceremony not held.	The Royal Council had internal challenges .	Budgeted in the next financial year	R 0.00	COMM
34	Improve d Local Economy	Sports and Recreation	To organise the Wolkberg sports day by 30 June 2014	Wolkberg Sports day	100 000.00	100 000.00	Wolkberg Sports day	01/07/2013	30/06/2014	Target achieved Wolkberg sports day held.	n/a	n/a	R 77 329.82	COMM

34	Improve d Local Economy	Sports and Recreation	To organise and host various sport codes by 30 June 2014	Sports Activities	300 000.00	300 000.00	Sports Activities	01/07/2013	30/06/2014	Target achieved. Sports activities held.	n/a	n/a	R 179 079.23	COMM
34	Improve d Local Economy	Sports and Recreation	To organise event for cultural activities by 30 June 2014	Cultural Activities	100 000.00	100 000.00	Cultural Activities	01/07/2013	30/06/2014	Target achieved. Cultural activities held.	n/a	n/a	R 30 000.00	COMM
34	Improve d Local Economy	Sports and Recreation	To organise Choral Music Competitio n by 30 June 2014	Coral Music Competitio n	80 000.00	80 000.00	Coral Music Competition	01/07/2013	30/06/2014	Target achieved. Choral Music competitions held.	n/a	n/a	R 77 450.00	COMM

**KPA 4 MUNICIPAL FINANCIAL VIABILITY KEY
PERFORMANCE INDICATORS
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY**

Vote Nr	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/2014	Budget Adjustment 2013/2014	Annual target	Annual Achievements / Progress to date	Challenges	Intervention	Expenditure	Project Owner
500	Sustainable Financial Institution	Budget and Reporting	To ensure that financial information is supplied to relevant authorities within timeframe	Financial information supplied to relevant office by 10 June 2014	Information was submitted by 10 June 2013	Operational	Operational	1	Target achieved. 1 x S71 reports submitted.	none	none	0	CFO
500	Sustainable Financial Institution	Budget and Reporting	To ensure that quarterly financial statements are prepared within	Preparation of Quarterly financial statements and submitted to the relevant offices		Operational	Operational	1	Target not achieved. 1st & 2nd Quarterly financial statements and submitted to the relevant offices.	Capacity constrains	Capacitate employees on relevant areas	0	CFO
500	Sustainable Financial Institution	Supply Chain Management	To effectively manage the financial affairs of the municipality	%Payment of service provider within 30 days.		Operational	Operational	100%	Target achieved. Service providers were paid within 30 days. 100%	n/a	n/a	0	CFO
500	Sustainable Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality	% capital budget spent as approved by Council		Operational	Operational	100%	Target not achieved. Capital budget expenditure is less than 100%. 28% spent (R35 109 489.00)	Slow procurement process	Develop and adhere to procurement plan with scheduled dates of bid committee meetings	R 35109489	CFO/IND EP /MM

5	Sustainable 0 Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality	% MIG expenditure	1	46950000	53847921		1	Target not achieved. MIG expenditure is less than 100%. 72% (R38 984 629/ R53 847 921)	none	none	38984629	CFO/IND EP /MM
5	Sustainable 0 Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality	% FMG expenditure	1	1550000	1551784	100%		Target not achieved. FMG expenditure less than 100%. 74.49% (R1 155 861.16 / R 1 551 784)	Slow procurement process	Develop and adhere to procurement plan with scheduled dates of bid committee meetings	1155861.16	CFO/IND EP /MM
5	Sustainable 0 Financial Institution	Expenditure Management	To effectively manage the financial affairs of the municipality	% MSIG expenditure	1	890000	1051600	100%		Target not achieved. MSIG expenditure less than 100%.	Slow procurement process	Develop and adhere to procurement plan with scheduled dates of bid committee meetings	76533	CFO/IND EP /MM

KPA 4 MUNICIPAL FINANCIAL VIABILITY PROJECTS
OUTCOME NINE (OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY)

Vote Nr	Strategic Objective	Programme	Measurable Objective	Project / Initiative	Budget 2013/2014	Budget Adjustment 2013/2014	Annual target	Start Date	Completion Date	Annual Achievements Progress to date	Challenges	Intervention	Expenditure	Project Owner
50	Sustainable Financial Institution	Indigent Management	To register qualifying indigents by 30 June 2014	Updating of Indigent Register	Operational	Operational	Updated Indigent Register	01/07/2013	30/06/2014	Target achieved. Information on indigent households collected and the register is updated	none	none	R 0.00	CFO
50	Sustainable Financial Institution	Revenue Management	Review of Revenue Enhancement Strategy by 30 June 2014	Revenue Enhancement Strategy	106 000.00	0.00	Reviewed Revenue Enhancement Strategy by 30 June 2014	01/07/2013	30/06/2014	Removed during budget adjustment				CFO
50	Sustainable Financial Institution	Revenue Management	To update household billing system information 30 June 2014	Data cleansing	106 000.00	0.00	Data cleansing	01/07/2013	30/06/2014					CFO
50	Sustainable Financial Institution	Asset Management	To monitor the process of unbundling and make progress report by 30 June 2014	Unbundling of Infrastructure Assets to update the asset register	200 000.00	730 400.00	Unbundling of Infrastructure Assets to update the asset register	01/03/2014	30/06/2014	Target not achieved. Unbundling of Infrastructure Assets to update the asset register not done.	Slow procurement process	Adhere to procurement plan	R 0.00	CFO

50	Sustainable Financial Institution	Supply Chain Management	Purchasing of the Automated Procurement Software by 30 June 2014	Automated Procurement Software	250 000.00	250 000.00	Purchasing of the Automated Procurement Software by 30 June 2014	01/03/2014	30/06/2014	Target not achieved. Procurement automated software procured. Awaiting installation	Delay in installation	To engage the service provider for installation	R 207 611	CFO
50	Sustainable Financial Institution	Supply Chain Management	Linking the Assets to the GIS software by 30 June 2014	Linking the Assets to the GIS software	150 000.00	150 000.00	Linked Assets to the GIS software	01/03/2014	30/06/2014	Target not achieved. Assets not linked to the GIS software.	Slow procurement process	Adhere to procurement plan	R 0.00	CFO
50	Sustainable Financial Institution	Asset Management	Updating of valuation roll by 30 June 2014	Supplementary Valuation Roll	159 600.00	159 600.00	Supplementary Valuation Roll	01/07/2013	30/06/2014	Target achieved. Supplementary Valuation Roll done	n/a	n/a	R 76 533.00	CFO
50	Sustainable Financial Institution	Asset Management	To purchase two (2) Small Bakkie for water reading by 31 March 2014	Small Bakkie	400 000.00	0.00	Small Bakkie	01/10/2013	31/03/2014	Removed during budget adjustment				CFO
50	Sustainable Financial Institution	Asset Management	To purchase Sedan by 31 March 2014	Sedan	200 000.00	0.00	Sedan	01/10/2013	31/03/2014					CFO
50	Sustainable Financial Institution	Office furnisher	To procure printers (2) - Salary Section & Revenue Section by 30 June 2014	Printers (2) - Salary Section & Revenue Section	400 000.00	400 000.00	To procure printers (2) - Salary Section & Revenue Section by 30 June 2014	01/10/2013	30/06/2014	Slow procurement process	Adhere to procurement plan	0		CF O
50	Sustainable Financial Institution	Auxillary Services	Supply and delivery of fuel by 30 June 2014	Fuel supply	1 600 000.00	1 600 000.00	Fuel supply	01/07/2013	30/06/2014	n/a	n/a	R2 419 460 cumulative	CF O	

KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION KEY PERFORMANCE INDICATORS

OUTCOME 9 (OUTPUT 5: DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE MODEL, OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY)

Vote Nr	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/2014	Budget Adjustment 2013/2014	Annual target	Annual Achievements / Progress	Challenges	Intervention	Expenditure	Project Owner
54	Improved Governance and Organisational Excellence	Ward Committee	To ensure full participation of ward committee	# ward committees evaluated per month	29	Operational	Operational	29	Target achieved. 29 ward Committees evaluated	None	None	R 0.00	MM/CO RPS
54	Improved Governance and Organisational Excellence	Ward Committee		% complaints attended (# of community complaints received / # of complaints	100%	Operational	Operational	100%	Target not achieved. 83% (133 complaints received / 25 resolved)	Water supply complaints are not within GLM s competency (borehole)	Forward to Mopani District	R 0.00	MM
54	Improved Governance and Organisational	Local Imbizos	To ensure community	# of local imbizo held by the Mayor	4	1 500 000.00	1 480 000.00	4	Target not achieved. 2 local imbizo were held. 2	2 imbizo not held due to other municipal	Adhere to Local Imbizo schedule	R 591 052.00	MM
54	Improved Governance and Organisational Excellence	Local Imbizos	To ensure community participation	% public participation events publicised on the newspaper and website) (# for public participation events publicised in the newspapers and website	100%	Operational	Operational	100%	Target achieved. 100% (IDP and Budget events publicised)	none	none	R 0.00	MM
54	Improved Governance and Organisational Excellence	Traditional Leaders	To establish a good relationship with traditional leaders	# traditional leaders invited to take part in council	9	Operational	Operational	10	Target achieved. 10 are invited to take part in council.	none	none	Operational	MM

54	Improved Governance and Organisational Excellence	Auditing	To promote accountability	% AG queries raised in last financial year addressed at the end of the quarter of the current financial year	100%	Operational	Operational	100%	Target not achieved. 95% (53 queries addressed / 56 queries raised)	Slow implementation of AG audit action plan	AG audit action plan to be a standing item on Management meetings. Implementation of AG action plan to be included in the Performance Agreement of the Directors	Operational	MM/ All Directors
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KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEY PERFORMANCE INDICATORS

OUTCOME 9 (OUTPUT 5: DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE MODEL, OUTPUT 6: ADMINISTRATIVE AND FINANCIAL

CAPABILITY

Vote Nr	Strategic Objective	Programmes	Measurable Objectives	Performance measures	Baseline / Status	Budget 2013/2014	Budget Adjustment 2013/2014	Annual target	Annual Achievements /	Challenges	Intervention	Expenditure	Project Owner
54	Improved Governance and Organisational Excellence	Ward Committee	To ensure full participation of ward committees	# ward committees evaluated per month	29	Operational	Operational	29	Target achieved. 29 ward committees evaluated per month.	None	None	R 0.00	MM/CORP S
54	Improved Governance and Organisational Excellence	Communication	To promote effective and efficient communication	# of articles issued to the media on Mayoral events.	1	Operational	Operational	4	Target achieved. 23 articles issued to the media on Mayoral events	none	None	Operational	Ass-Director (Mayor's office)/ MM
54	Improved Governance and Organisational Excellence	Communication	To promote effective and efficient communication	# of newsletters issued	4	Operational	Operational	4	Target not achieved. 1x newsletter issued. 3x newsletters not issued.	Contract of the service provider expired	Service provider appointed. Newsletters to be issued in 2014/2015FY	Operational	Ass-Director (Mayor's office)/ MM
54	Improved Governance and Organisational Excellence	Communication	To promote effective and efficient communication	# of meetings held by the Communicators Forum	4	Operational	Operational	4	Target not achieved. 0x meeting held	Lack of capacity	Appoint Admin Officer: Communication	Operational	Ass-Director (Mayor's office)/ MM

54	Improved Governance and Organisational Excellence	Legal	To ensure proper contract management	% appointed service providers with Service Level Agreement (# of service providers appointed/# of service providers with service level agreement)	100%	Operational	Operational	100%	Target achieved. 100% of appointed service providers with Service Level Agreement	None	None	Operational	CORPS/MM
46	Improved Human Resource	Skills Development	To ensure effective implementation of the WSP	% employees trained as per the WSP	100%	Operational	Operational	100%	Target achieved. 100% of employees were trained as per WSP. Extra 20% were trained (248 actual /206 target)	None	None	Operational	CORPS
54	Improved Governance and Organisational Excellence	Ward Committee	To ensure full participation of ward committees	# ward committees evaluated per month	29	Operational	Operational	29	Target achieved. 29 ward Committees evaluate	None	None	R 0.00	MM/CORPS
46	Improved Human Resource	OHS	To ensure a health and safe working environment	# of wellness campaign conducted per quarter	4	Operational	Operational	4	Target achieved. 4 wellness campai	None	None	Operational	CORPS

KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEY PERFORMANCE INDICATORS

OUTCOME 9 (OUTPUT 5: DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE MODEL, OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY)

	Improved Governance and Organisational Excellence	Furniture and Equipments	To procure recording system/ video camera 30 June 2014	Recording System/ Video Camera	20 000.00	20 000.00	To procure recording system/ video camera 30 June 2014	01/03/2014	30/06/2014	Target not achieved. Recording system/ video camera not procured.	Slow procurement process	Adhere to procurement plan	R 0.00	CORPS
40	Improved Governance and Organisational Excellence	Furniture and Equipments	To procure (1) council vehicles by 31 March 2014	Council Vehicles	600 000.00	Taken out during budget adjustment	To procure (2) council vehicles by 31 March 2014	01/10/2013	31/03/2014	Removed during budget adjustment			CORPS	
54	Improved Governance and Organisational Excellence	Property Services	Interior design and decoration of the Council Chamber and foyer including purchasing of podium by 30 June 2014	Decoration of Council Chamber (Including the foyer and podium)	1 500 000.00	1 000 000.00	Decoration of Council Chamber (Including the foyer and podium) completed	01/04/2014	30/06/2014	Decoration of Council Chamber (Including the foyer and podium) not completed. Target not achieved.	Slow procurement process (Lack of capacity in developing specifications)	Re-advertisement of the tender	R 0.00	CORPS

5.1.1. Service Provider Performance in the Financial Year 2013/2014

The performance of service providers were assessed using the scale below:

Very Good: 5, Good: 4, Acceptable: 3, Poor: 2 and Very Poor: 1

Table 3.1: Service providers' performance

Project Name	Service Provider	Stage	Performance
Thakgalane, Mapaana, Mamphakhathi & Malematja Highmast lights	Humphrey Electrical & Construction	In progress	3
Mamokgadi, Abel, Moroatshehla & Shamfana Highmast lights	Rolinda Construction cc	In progress	3
Raphahlelo, Phooko, Itieleng Ga-Pheeha and Lemondokop Highmast lights	Sectional Poles (A division of Harrison and white investments (Pty) Ltd)	Completed and awaits energizing by Eskom	4
Motlhele, Rajeke & Mamanyoga Highmast lights	Lefamafa Electrical and Construction Services	Completed and awaits energizing by Eskom	5
Madumeleng, Seatlaleng, Ramaroka and Mookoni Highmast light	Green Valley Electrical Contractors	Completed and awaits energizing by Eskom	5
Bellevue, Nakamape and Mpepule Highmast Lights	Green Valley Electrical Contractors	Completed except for the Mpepule light which awaits energizing by Eskom	5

Project Name	Service Provider	Stage	Performance
Kgapane Stadium Bridge	Tshashu Consulting and Project Managers (Consultants)	Designs completed	4
Fencing and Paving of Kgapane Old Sub-office	Mamamiya Projects Engineering	Construction in progress	1
Modjadjiskloof Electricity Upgrade	Bawelile Consulting Engineers	In progress	4
Renovation of Main Offices	MS2J Trading Enterprise	Completed	4
Upgrading of Hill and Kerk streets	Nhlengani Engineers (Consultant)	Designs completed	4
Sefototse Street Paving	TM Africa Engineering (Consultants)	Designs completed	3
Jamela Street Paving	Mvelelo Project Management (Consultants)	Designs completed	3
Jamela Street Paving	Mminatshipi/Tseduma JV (Contractor)	In progress	2
Rehabilitation of Streets in Modjadjiskloof (Phase 3)	LEBP Construction	Completed	5
Mamaila Kolobetona Street Paving	Dolmen Consulting Engineers (Consultants)	Completed	4

Project Name	Service Provider	Stage	Performance
Mamaila Kolobetona Street Paving	Mkhacani Construction	Completed	5
Matshwi Street Paving	Bawelile Consulting Engineers (Consultants)	Designs completed	3
Matshwi Street Paving	Melrose Civils (Contractor)	In progress	3
Medingen Street Paving	Qualis Health & Safety Consultants Services (Pty) Ltd (Consultant)	Designs completed	3
Medingen Street Paving	Mashrik Social Development Consultancy (Contractor)	In progress	2
Sedibeng Street Paving	WSM Leshika Consulting (Consultants)	Designs completed	3
Sedibeng Street Paving	Makasana Construction (Contractor)	In progress	3
Rotterdam Duvula Street Paving	Morula Consulting Engineers (Consultants)	Designs completed	3
Rotterdam Duvula Street Paving	Nduvho Construction JV Olgara Enterprise Development (Contractor)	In progress	4
Rotterdam Mahonsi Street Paving	Kago Consulting Engineers	Designs completed	3

Project Name	Service Provider	Stage	Performance
	(Consultants)		
Rotterdam Mahonsi Street Paving	Fambakahle Construction & Allied Works (Contractor)	On hold	1
Testing room for learners licences	Nkebileng Trading Enterprise	On hold	1
Thakgalane no1 culvert	Bagaphala Trading Projects	Completed	4
Mamaila kolobetona culvert	Bagaphala Trading Projects	Completed	4
Electrical Master plan in Modjadjiskloof	Motla Consulting Engineers (Pty) Ltd	Completed	5
3 x Transfer Stations	Matsherele Consulting and Projects	In progress	3
Mokgoba Streetlights	Rolinda Construction	In progress	3
Mapaana Street Paving	Oaitse Civil Construction (Contractor)	Completed	3
Makaba Street Paving	Sejagobe Engineers (Consultants)	Designs completed	3
Makaba Street Paving	LEBP Construction (Contractor)	In progress	4
Ga-Kgapane New Cemetery Earthworks	All Of Us Trading Enterprise	Completed	2

Project Name	Service Provider	Stage	Performance
Low Level Bridge	Sapota Business Enterprise (Pty) Ltd	In progress	4
Shawela Graveyard Bridge	Uranus Consulting Engineers (Consultants)	Awaiting for the appointment of the contractor	4
Modjadji Headkraal Street Paving	T2-Tech Consulting Engineers (Consultants)	On progress	4
Modjadji Headkraal Street Paving	Mazaxa Construction and Projects	On progress	3
Sekgopo Street Paving	Tshashu Consulting and Project Managers (Consultants)	Completed	4
Sekgopo Street Paving	Mexcon Civils JV Mgababa Trading Enterprise	Completed	4
Rapitsi Street Paving	Wantlha Consulting (Consultants)	Practically completed	3
Rapitsi Street Paving	CBF Express cc	Practically completed	3
Thakgalane Street Paving	Moba & Associates (Consultants)	On progress	3
Thakgalane Street Paving	CBF Express cc	On progress	3
Mandela Park Street Paving	Shumba Engineering Services (Consultants)	On progress	4

Project Name	Service Provider	Stage	Performance
Mandela Park Street Paving	LebP Construction	On progress	4
Senwamokgope Stadium	VCL Consulting Engineers (Consultants)	Completed	2
Senwamokgope Stadium	PGN Civils	Completed	3
Shaamiriri Sports Complex	Xitsunge Consulting Engineers (Consultants)	On progress	4
Shaamiriri Sports Complex	PGN Civils	On progress	4
Mokwakwaila Stadium	Morula Consulting Engineers (Consultants)	Completed	4
Mokwakwaila Stadium	Casnan Civils	Completed	4
Lebaka Sport Complex	Shiphiwe Consulting Engineers (Consultants)	Completed	4
Lebaka Sport Complex	Malo-Thabi Construction	Completed	4
Sekgopo Sport Complex	KIPP Consulting Engineers (Consultants)	Completed	2
Sekgopo Sport Complex	TR Construction	Completed	4
Mandela Barlow Thibeni street paving	SMI Technical Consulting (Consultants)	Completed	3
Mandela Barlow Thibeni street paving	Capstan Trading 215 cc	Completed	4

3.5. Service Delivery Backlog as of June 2014.

It is critical to comment on the progress in eliminating backlogs in service delivery for the key services for the key functions of water, electricity, sanitation, refuse removal and roads. In Greater Letaba municipality these functions are located in the Infrastructure Development and Planning and Community Services directorates.

Table 3.2: Service Delivery Backlog

Service	Households	Access	% Access	Backlog	% Backlog
Water	58 261	43 696	75%	14 565	25%
Sanitation		48 412	83%	9 849	17%
Electricity		56 905	97.6%	3 458	3%
Housing		55 443	95%	2 818	5%
Roads		484 km	40%	729 km	60%
Waste		4 080	7%	55 459	93%



CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Introduction

The quality of human capital is important in any organization. It will determine the success and progress that has to deliver services and support overall business strategy. To succeed there is a need to develop a holistic approach to the implementation of transformational issues like equity, human resource development, staff retention and succession planning, management of HIV/AIDS in the workplace

4.2 Managing municipal workforce levels

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In Managing a Municipal Workforce effectively, it is important that employee policies, procedures and contracts are in place. The municipality had a total number of 28 policies in place:

- Ward Committees Policy
- HIV/AIDS Policy
- Smoking Policy
- Skills Development Policy
- Recruitment and Selection Policy
- Transport Control Policy
- Sexual Harassment Policy
- Cellular Phone allowance Policy
- Contract of Employment Policy
- Labour Relations Policy
- Conditions of Service Policy
- Occupational Health and Safety Policy
- Notebook/ Laptop Policy
- Back up Policy
- Hardware and Software Policy
- IT Security Policy
- Credit Control Policy
- Indigent Policy
- Language Policy
- Anti-Fraud and Corruption Policy
- Employees Assistance Program Policy
- Protective Clothing and Allowance Policy
- Policy on the writing off of irrecoverable debts
- Property Rates Policy
- S&T and Car Allowance Policy
- Internet Acceptable use Policy
- IT password Policy
- Email Acceptable Use Policy

The policies indicated above are in place and need to be monitored and implemented as a measure of creating controls for effective and efficient implementation of services.

4.3. Staff Establishment

The municipality appointed 214 permanent. Below are statistics of permanent employees in terms of their Directorates. It is worth indicating that the municipality has a vacancy rate of 19.84%. The vacancy rate is due to posts that were never filled, retirements, demise and resignations. Only 3.7% terminated services during the year under review.

Table 9: Total Staff Establishment

Directorate	No. of posts as per Organisational Structure	No. Filled	No. Vacant
Municipal Manager	22	17	5
Corporate Services	23	19	4
Budget and Treasury	33	29	4
Infrastructure Development and Planning	86	70	16
Community Services	103	79	24
Total	267	214	53

4.4. Employment Equity

Table 4.2 below outline employment equity status of the municipality per occupational categories. There is an improvement towards the empowerment of the previously disadvantaged groups with African females at 44% and 50% on Senior / Top management. The remaining challenges in this area are the representation of women and the people with disabilities. However, what is heartening is that females are a majority in top management and also a majority in management levels put together.

Table 4.2 Workforce profile per occupational category

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management					1						1
Senior management	2				1						3
Professionally qualified and experienced specialists and mid-management	18			2	12						32
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	16			1	18						35
Semi-skilled and discretionary decision making	27				22						49
Unskilled and defined decision making	54				40						94
<i>TOTAL PERMANENT</i>	117			3	94						214
Temporary employees											
GRAND TOTAL	117			3	94						214

4.5. Capacitating the municipal workforce

•Training of the Employees

During the financial 2013/2014 Greater Letaba Municipality managed to train some of the employees in different training fields. The training included amongst others the following staff categories:

- Municipal Manager and Directors
- Professionals and Legislators,
- Senior officials and managers
- Clerks and
- Labourers

•Table 4.3: Employees trained

Programme	NQF	Planned Target	Actual	Duration	Target	Expenditure
LGAAC	LEVEL 4	2	2	12 MONTHS	Finance Officials At Lower Level	COGHSTA
LGAC	LEVEL 3	2	2	12 MONTHS	Finance Officials At Lower Level	COGHSTA
MFMP	LEVEL 6	14	14	12 MONTHS	Finance Official, Lower ,Middle And Top Levels And Interns	R 672000.00
Leadership For Councillors	Level 5	5	14	9 Months	Councillors	R32 000.00
Disability Management	Level 4	2	4	5 Days	Officials HR, Youth Desk, Disability and Customer Care	R10800.00
OHS Training	Level 4	1	2	2 Days	Officer: OHS And HR	COGHSTA
Ps Training	Level 4	1	2	2 Days	PMS and Internal Auditor	COGHSTA
Records Management	Level 4	1	2	2 Days	Records	COGHSTA
Recruitment And Selection	Level 4	1	1	2 Days	Chief HR Officer	COGHSTA
Liability Training	Level 6	12	12	2 Days	Top And Middle Management	R 34 800.00
Advance Excel	Level 4	12	12	2 Days	Top And Middle Management	R22032.00
First Aid Basics	Level 1	50	70	2 Days	Labourers And Officials	R 150 000.00
Councillors Practice	Level 3	65	63	2 Days	Councillors And Other Officials	R 197 000.00
Small Business Development	Level 1	19	27	2 Days	Members Of The Community	R 145 000.00
Public Participation	Level 2	19	21	2 Days	Members Of The Community	R 11 6000.00
Total number trained		206	248			

4.6. Performance Management System

This chapter outlines briefly how Greater Letaba Municipality managed its performance. Performance Management is a powerful tool that can be used to measure the performance of an organisation. It involves setting of desired strategic objectives, outcomes, indicators and targets, alignment of programmes, projects and processes directly to its individual components such section 57 managers as stipulated in the performance regulations of 2006.

In terms of Chapters 5 and 6 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), local government is required to:

- *Develop a performance management system.*
- *Set targets, monitor and review performance, based on indicators linked to the Integrated Development Plan (IDP).*
- *Publish an annual report on performance for the councillors, staff, the public and other spheres of government.*
- *Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.*
- *Conduct an internal audit on performance before tabling the report.*
- *Have the annual performance report audited by the Auditor-General.*
- *Involve the community in setting indicators and targets and reviewing municipal performance.*

Greater Letaba Municipality's performance management system aims at ensuring that all the departments within the municipality are working coherently to achieve optimum desired results. This is done by planning, reviewing, implementing, monitoring, measuring and reporting on its activities.

The development of Greater Letaba Municipality's Performance management Framework was guided by different pieces of legislation which include amongst others the following: *Constitution of the Republic of South Africa, Chapter 7 of Act 108 (1996)*

- *White Paper on Local Government 1998*
- *Municipal Systems Act, 2000 (Act No. 32 of 2000)*
- *Municipal Finance Management Act, (Act No. 56 2003)*
- *Regulation 393 of 2009: Local Government Municipal Finance Management Act Municipal Budget and Reporting Regulation*

- Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager (2006)
- Municipal Planning and Performance Management Regulations (2001)
- Batho Pele Principles
- Municipal Structures Act 1998 (ACT no 117 of 1998)

Greater Letaba Municipality has adopted a balance scorecard methodology which is a strategic performance management tool. The balance scorecard is used to keep track of the execution of activities by staff within their control and monitor the consequences arising from these actions. The balance scorecard creates a clear link of activities across all levels of municipality. The main objective of the balanced scorecard is to achieve synergy across the Municipality, maximise internal business process efficiencies, and to maximise efficient allocation of financial and human resources. By using the balance scorecard Greater Letaba Municipality managed to come up with strategic objectives that were transformed into a strategic map which emphasizes the municipality's main strategic intent.

Community Perspective	<i>The municipality checks if it is achieving the needs of the community</i>
Financial Perspective	<i>The municipality checks if it is delivering services in an economic, efficient and effective manner</i>
Internal Processes Perspective	<i>The municipality checks if its business processes are assisting in achieving its desired goals</i>
Learning and Growth Perspective	<i>The municipality checks if it has good skills and knowledge to achieve the needs of the community</i>

Organisational performance and employee performance are related to each other and this starts from the planning phase. At an organisational level the Service Delivery and Budget Implementation Plan (SDBIP) was developed for the purpose of monitoring the overall organisational performance. The Performance Agreement of section 57 managers was derived directly from the SDBIP. The SDBIP yields a set of indicators and targets which became an undertaking of the municipality to account to the community.

•Performance Management Tools

This section outlines the performance management tools that Greater Letaba Municipality used to assess its performance.

•Integrated Development Plan

Greater Letaba Municipality has developed an Integrated Development Plan which was adopted by council. The performance management system is designed to monitor and evaluate the progress made in the implementation of the municipality's IDP objectives, taking into account the timeframe of projects and budget. The IDP is the strategic document of the municipality that gives direction in terms of service delivery objectives. Performance objectives, indicators, outcomes and targets are derived from the IDP.

•Performance Management Policy Framework

Greater Letaba Municipality has developed and adopted a Performance Management Framework that serves as a guiding document in the implementation of performance management system within the institution.

•Service Delivery and Budget Implementation Plan

In terms of the Municipal Finance Management Act, Act No. 56 (2003) the municipality must develop the SDBIP taking into consideration the Integrated Development Plan and the Budget of the municipality. Greater Letaba Municipality developed the SDBIP which was approved by the Mayor. The SDBIP yields specific indicators and targets which are derived from the IDP. The SDBIP is a link between integrated development plan, performance management system and the budget. The SDBIP serves as a contract between Council and the community. It outlines the Council's objectives and outcomes to be undertaken by Council. Through the SDBIP Council commit itself to the community in terms of services to be rendered. Administration also commit to council on the services they will render to the community.

•Performance Agreements and Performance Plans

The Local Government Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers (R805, 2006) indicate that Section 57 managers must be appointed in terms of a written employment contract and a separate performance agreement. Regulations R805 regulate employment contracts, performance

agreements including performance plans and job descriptions of Municipal Managers and managers directly accountable to Municipal Managers. Greater Letaba Municipality developed performance agreement that were duly signed.

The purpose of a performance management agreement is to:

- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality.
- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.
- Specify and plan for competency gaps as set out in a personal development plan (PDP), which forms an annexure to the performance agreement (a PDP for addressing developmental gaps which have been identified during the previous financial year and must form part of the annual revised performance agreement).
- Monitor and measure performance against set targeted outputs.
- Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job.
- In the event of outstanding performance, to appropriately reward the employee depending on the availability of resources.
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

•Performance Calculators

The 2001 Regulations Chapter 13 indicates that:

- (1) A municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets as set.
- (2) The mechanisms, systems and processes for monitoring in terms of sub regulation (1) must:
 - a)provide for reporting to the municipal council at least twice a year;
 - b)be designed in a manner that enables the municipality to detect early indications of under-performance; and
 - c)provides corrective measures where under-performance has been identified.

Greater Letaba Municipality has developed performance calculators that are used to monitor the performance of the institution and Section 57 Managers. Monitoring is the key stage when implementing performance management system.

•Reports

The Greater Letaba Municipality continuously produce reports giving feedback regarding the performance of the institution and the departments. The reports mainly focus on the priorities of the organisation, performance objectives, indicators, targets, measurements and analysis. The reports includes amongst others the following:

•**Monthly / Quarterly IDP and SDBIP reporting**

In terms of Section 1 of the MFMA, Act 56 of 2003 a municipality must develop a SDBIP with detailed projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The SDBIP must be reported on a quarterly basis. In complying with this requirement, the municipality compiled monthly, quarterly IDP and SDBIP reports.

•**Mid-year budget and report**

The accounting officer is required to prepare and submit a midyear performance report, which must be submitted to the Mayor, Provincial and National Treasury (Section 72 of the MFMA). Greater Letaba Municipality prepared a Mid-Year Budget and Report as per legislative requirement.

•**Performance report**

Section 46 of the Municipal Systems Act No. 32 of 2000 requires a municipality to prepare a performance report for each financial year. The reports must cover the following:

- Performance of the municipality and of each external service provided during that financial year;*
- Comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and*
- Steps and Interventions to be taken to improve on the performance*

Greater Letaba Municipality prepared performance reports that reflected how the municipality performed institutionally and departmentally.

•**Annual report**

Section 121 requires the municipality to prepare an annual report for each financial year. Greater Letaba Municipality has managed to compile an annual report.

•Oversight report

Section 129 requires the council of a municipality to consider the municipality's annual report. It further indicates that within two months from the date of tabling of the annual report, council must adopt an oversight report containing the council's comments. An oversight report for the municipality was compiled.

•Assessment of Section 57 Managers

The 2006 regulations on Municipal Manager and Managers directly reporting to the Municipal Manager depict how the assessment of section 57 managers should unfold. It identified four assessments per annum, namely:

Quarter	Panel formation
First Quarter (July to September) – Informal Assessment	No need to constitute a panel of assessors
Second Quarter (October to December) – Formal Assessment	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> •Mayor •Municipal Manager or Mayor from another municipality •EXCO Member •Ward Committee Member •Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> •Municipal Manager from another municipality •EXCO Member •Municipal Manager •Chairperson of Performance Audit Committee
Third Quarter (January to March) - Informal Assessment	No need to constitute a panel of assessors
Fourth Quarter (April to June) - Formal Assessment	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> •Mayor •Municipal Manager or Mayor from another municipality •EXCO Member •Ward Committee Member •Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> •Municipal Manager from another municipality •EXCO Member •Municipal Manager Chairperson of Performance Audit Committee

4.7 Municipal Workforce Expenditure

Personnel budget for 2013/2014 was R57 902 736 of which is 36.59% of total expenditure for 2013/2014 which was R158 232 95. The amounts of R40 305 647 and R41 260 000 were for the financial years 2011/2012 and 2012/2013, respectively.

Disclosure regarding the 2013/2014 remuneration packages for the Mayor, Councillors and Section 57 Managers were as follows:

Table 4.4: Remuneration packages- 2013/2014

Designation	Salaries & Wages	Other Benefits & Allowances	Total
Mayor	R508 371.48	R190 325.16	R698 696.64
Full-Time Councillor-Speaker	R406 694.40	R156 432.84	R563 127.24
Full-Time Councillor-Chief whip	R381 277.56	R148 050.48	R529 238.04
Executive Councillors	R2 402 047.08	R988 494.48	R3 390 541.56
Councillors	R7 192 405.41	R2 846 566.89	R10 038 972.30
Municipal Manager	R779 091.93	R375 000	R1 154 091.93
Chief Financial Officer (Acting)	R297 117.30	R141 923.32	R439 040.62
Other Senior Managers	R1 383 720.78	R1 006 557.66	R2 390 278.44

4.8 Organisational Development Performance Highlights

- Filling of critical posts [Chief Financial Officer, Assistant Director: Corporate Services and Manager: Mayor's Office]
- Submission of Workplace skills plan and Annual training reports before the 30th April 2014.
- Enrolling all finance officials, top management and middle management of other departments for Municipal Finance Management Programme as required by Section 60 of National Treasury.
- Training of all Councillors on Councillors Ethics/Protocol.



CHAPTER 5

FINANCIAL PERFORMANCE

5.1 Introduction

Sound financial management practices are essential to the long-term sustainability of the municipality. They underpin the process of democratic accountability. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management. The aim of this chapter is to provide an overview of the financial performance of Greater Letaba Municipality through measuring of results.

5.2 STATEMENT OF FINANCIAL PERFORMANCE

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Performance

Figures in Rand	Notes	2014	2013 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	14 004 364	15 266 501
Rental of facilities and equipment		111 364	90 510
Interest received - outstanding receivables		6 120 546	5 298 477
Income from agency services		1 573 915	1 307 932
Licences and permits		2 846 217	3 257 791
Other income		805 622	857 870
Interest received - investment	20	5 417 710	5 096 951
Total revenue from exchange transactions		30 879 738	31 176 032
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	8 633 560	6 418 552
Transfer revenue			
Government grants and subsidies	22	188 010 338	169 418 695
Fines		651 870	207 635
Total revenue from non-exchange transactions		197 295 768	176 044 882
Total revenue	23	228 175 506	207 220 914
Expenditure			
Employee related costs	24	53 969 138	47 606 174
Remuneration of councillors	25	15 220 576	14 235 330
Depreciation and amortisation	26	13 196 629	11 339 548
Impairment loss	27	4 089 889	139 829
Finance costs	28	1 345 982	1 458 537
Debt impairment		10 659 867	29 429 488
Repairs and maintenance		5 055 616	2 929 939
Bulk purchases	29	10 325 878	10 611 608
Contracted services	30	7 765 238	8 015 460
General expenses	31	35 087 322	30 827 564
Total expenditure		156 716 135	156 593 477
Operating surplus		71 459 371	50 627 437
Fair value adjustments		-	45 687
Surplus for the year		71 459 371	50 673 124

* See Note 41

5.3 GREATER LETABA MUNICIPALITY FINANCIAL PERFORMANCE ANALYSIS

•Revenue

The municipality receives grants and equitable share from national treasury. The grants amount to 89, 25% of the total receipts. Own revenue only accounts for 4,9% of the total receipts, this shows that the municipality depends more on grants and if treasury had to pull out from funding the municipality, the municipality will not be able to sustain itself. Revenue income has decreased and this is in comparison with 2012/2013 and 2013/2014.

•Debtors

The municipality debt bill has increased tremendously by 36, 26% comparing 2012/2013 and 2013/2014 financial years respectively. This means the municipality is not doing well or fine in terms of debtor collection.

•Liquidity

The municipality is financially sound. It has reserves in cash and cash equivalents amounting to R 1 115 705 106. The municipality current assets are more than current liabilities, current assets amount to R 135 344 642 and current liabilities amount to R 39 941 342.

•Expenditure analysis

2013/2014 financial year expenses are less than 2012/2013 financial year expenses. 2012/2013 financial year expenditure amounted to R 156 716 135 and 2013/2014 R 156 593 477. Total municipality expenses are above by 4% of the budget.

5.4 AUDITED FINANCIAL STATEMENTS AND INFORMATION MANAGEMENT



Greater Letaba Municipality
Annual Financial Statements
for the year ended 30 June 2014

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	Providing municipal services and maintaining the best interest of the local community mainly in the Greater Letaba area.
Grading of local authority	Category 3 Local Municipality in terms of Remuneration of Public Office Bearers Act (Act 20 of 1998) Medium Capacity Municipality
Executive committee	
Mayor	GH Modjadji
Speaker	RR Ramalatso
Chief Whip	MJ Masutha
Members of the Executive Committee	MM Nkwana NN Baloi MD Makhananisa RJ Makhananisa FM Moroatshehla FN Maake TC Kgafela MC Seale MP Masela
Councillors	GJ Mkansi MG Ntuli SS Malatji MI Manyama MV Makgwathhela F Morwatshehla MV Mashapa MP Malola TE Makgatho ME Machete LR Mashapa MSS Sebelemetja DI Matloga MP Satekge AM Mantlhakga MM Mankgero RE Sekhonoane TD Mokhari MF Makhubela MG Selowa MD Rabapane N Selowa BE Ngobeni MF Kgamede NM Kgatla NT Machete MJ Baloyi (MPAC Chairperson) MJ Kgatla MA Lebepe (Mr) MA Lebepe (Ms) ME Lebepe SP Mabale ME Mafona MA Makgeru MF Manyama

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

General Information

Councillors (continued)	MF Moruthoane M Mathedimosa NE Phatudi TJ Rababalela M Serekele DL Selowa TJ Senyolo MJ Nakana MF Mokwalakwala ZT Maluleke
Audit committee	TC Modipane (Chairperson) FJ Mudau SA Ngobeni SST Kholong HG Hlomane
Acting Chief Finance Officer (CFO)	BJ Thoka
Accounting Officer	TG Mashaba
Registered office	Civic Centre 44 Botha Street Modjadjiskloof Limpopo
Business address	Civic Centre 44 Botha Street Modjadjiskloof Limpopo
Postal address	PO Box 36 Modjadjiskloof 0835
Bankers	First National Bank
Auditors	Auditor General of South Africa
Enabling legislation	Division of Revenue Act (Act 1 of 2011) Local Government Municipal Finance Management Act (Act 56 of 2003) Municipal Property Rates Act (Act 6 of 2004) Local Government Municipal Systems Act (Act 32 of 2000) Local Government Municipal Structures Act (Act 117 of 1998)
Level of rounding	Nearest Rand

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2015 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 65, which have been prepared on the going concern basis, were approved by the accounting officer on 29 August 2014 and were signed by:

TG Mashaba
Accounting officer

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014.

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2014.

1. Review of activities

Main business and operations

The municipality is engaged in providing municipal services and maintaining the best interest of the local community mainly in the greater letaba area.

The operating results and state of affairs of the municipality are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the municipality was R 71 459 371 (2013: surplus R 50 673 124).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year that could have a material impact on the unaudited annual financial statements.

4. Accounting Officer's interest in contracts

None.

5. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board and in accordance with section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

6. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name
TG Mashaba

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Position as at 30 June 2014

Figures in Rand	Notes	2014	2013 Restated*
Assets			
Current Assets			
Inventories	3	2 903 965	2 899 313
Receivables from exchange transactions	4	5 886 108	1 645 497
Receivables from non-exchange transactions	5	476 600	-
VAT receivable		-	658 063
Consumer debtors	6	11 372 863	7 248 292
Cash and cash equivalents	7	115 705 106	103 997 528
		136 344 642	116 448 693
Non-Current Assets			
Investment property	8	267 057	408 969
Property, plant and equipment	9	355 646 605	299 671 415
Intangible assets	10	570 268	656 337
Heritage assets	11	385 500	684 954
Other financial assets	12	8 054 061	7 627 234
		364 923 491	309 048 909
Total Assets		501 268 133	425 497 602
Liabilities			
Current Liabilities			
Other financial liabilities	13	946 349	704 082
Payables from exchange transactions	14	22 183 710	28 206 741
VAT payable		398 024	-
Consumer deposits	15	333 387	221 375
Unspent conditional grants and receipts	16	16 079 872	7 084 210
		39 941 342	36 216 408
Non-Current Liabilities			
Other financial liabilities	13	7 507 827	8 566 731
Employee benefit obligations	17	8 156 630	6 644 457
Provisions	18	2 236 803	2 103 846
		17 901 260	17 315 034
Total Liabilities		57 842 602	53 531 442
Net Assets		443 425 531	371 966 160
Accumulated surplus		443 425 531	371 966 160

* See Note 41

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Performance

Figures in Rand	Notes	2014	2013 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	14 004 364	15 266 501
Rental of facilities and equipment		111 364	90 510
Interest received - outstanding receivables		6 120 546	5 298 477
Income from agency services		1 573 915	1 307 932
Licences and permits		2 846 217	3 257 791
Other income		805 622	857 870
Interest received - investment	20	5 417 710	5 096 951
Total revenue from exchange transactions		30 879 738	31 176 032
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	8 633 560	6 418 552
Transfer revenue			
Government grants and subsidies	22	188 010 338	169 418 695
Fines		651 870	207 635
Total revenue from non-exchange transactions		197 295 768	176 044 882
Total revenue	23	228 175 506	207 220 914
Expenditure			
Employee related costs	24	53 969 138	47 606 174
Remuneration of councillors	25	15 220 576	14 235 330
Depreciation and amortisation	26	13 196 629	11 339 548
Impairment loss	27	4 089 889	139 829
Finance costs	28	1 345 982	1 458 537
Debt impairment		10 659 867	29 429 488
Repairs and maintenance		5 055 616	2 929 939
Bulk purchases	29	10 325 878	10 611 608
Contracted services	30	7 765 238	8 015 460
General expenses	31	35 087 322	30 827 564
Total expenditure		156 716 135	156 593 477
Operating surplus		71 459 371	50 627 437
Fair value adjustments		-	45 687
Surplus for the year		71 459 371	50 673 124

* See Note 41

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	306 293 036	306 293 036
Adjustments		
Correction of prior period errors	15 000 000	15 000 000
Balance at 1 July 2012 as restated*	321 293 036	321 293 036
Changes in net assets		
Surplus for the year	50 673 124	50 673 124
Total changes	50 673 124	50 673 124
Balance at 1 July 2013 as restated	371 966 160	371 966 160
Changes in net assets		
Surplus for the year	71 459 371	71 459 371
Total changes	71 459 371	71 459 371
Balance at 30 June 2014	443 425 531	443 425 531

* See Note 41

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Cash Flow Statement

Figures in Rand	Notes	2014	2013 Restated*
Cash flows from operating activities			
Receipts			
Cash received from trade services, assessment rates and rental		10 916 343	12 466 439
Grants		197 006 000	176 480 000
Interest income		11 538 256	10 395 428
Cash received from agency fees, fines and sundry income		1 253 216	1 936 355
		<u>220 713 815</u>	<u>201 278 222</u>
Payments			
Employee costs		(66 217 269)	(60 229 216)
Suppliers		(67 465 250)	(61 139 681)
Finance costs		(1 345 982)	(1 458 537)
		<u>(135 028 501)</u>	<u>(122 827 434)</u>
Net cash flows from operating activities	33	85 685 314	78 450 788
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(72 609 613)	(59 467 319)
Purchase of other intangible assets	10	(124 659)	(359 634)
Purchase of financial assets		(426 827)	(273 971)
		<u>(73 161 099)</u>	<u>(60 100 924)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(816 637)	(704 081)
		<u>(816 637)</u>	<u>(704 081)</u>
Net increase in cash and cash equivalents		11 707 578	17 645 783
Cash and cash equivalents at the beginning of the year		103 997 528	86 351 745
Cash and cash equivalents at the end of the year	7	115 705 106	103 997 528

* See Note 41

Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer to note 47 for explanations of major variances
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	2 640 000	259 313	2 899 313	2 903 965	4 652
Receivables from exchange transactions	-	-	-	5 886 108	5 886 108
Receivables from non-exchange transactions	-	-	-	476 600	476 600
Consumer debtors	10 278 734	-	10 278 734	11 372 863	1 094 129
Cash and cash equivalents	45 898 993	73 363 762	119 262 755	115 705 106	(3 557 649)
	58 817 727	73 623 075	132 440 802	136 344 642	3 903 840

Non-Current Assets

Investment property	-	408 969	408 969	267 057	(141 912)
Property, plant and equipment	482 106 000	(20 362 211)	461 743 789	355 646 605	(106 097 184)
Intangible assets	400 000	1 749 838	2 149 838	570 268	(1 579 570)
Heritage assets	-	-	-	385 500	385 500
Other financial assets	16 975 570	(9 348 336)	7 627 234	8 054 061	426 827
	499 481 570	(27 551 740)	471 929 830	364 923 491	(107 006 339)
Total Assets	558 299 297	46 071 335	604 370 632	501 268 133	(103 102 499)

Liabilities

Current Liabilities

Other financial liabilities	620 000	172 000	792 000	946 349	154 349
Payables from exchange transactions	39 767 904	-	39 767 904	22 183 710	(17 584 194)
VAT payable	-	-	-	398 024	398 024
Consumer deposits	242 880	-	242 880	333 387	90 507
Unspent conditional grants and receipts	6 062 998	(6 062 998)	-	16 079 872	16 079 872
Provisions	316 800	-	316 800	-	(316 800)
	47 010 582	(5 890 998)	41 119 584	39 941 342	(1 178 242)

Non-Current Liabilities

Other financial liabilities	8 340 688	-	8 340 688	7 507 827	(832 861)
Employee benefit obligations	3 231 360	-	3 231 360	8 156 630	4 925 270
Provisions	2 196 480	-	2 196 480	2 236 803	40 323
	13 768 528	-	13 768 528	17 901 260	4 132 732

Total Liabilities

	60 779 110	(5 890 998)	54 888 112	57 842 602	2 954 490
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Net Assets

	497 520 187	51 962 333	549 482 520	443 425 531	(106 056 989)
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	497 520 187	51 962 333	549 482 520	443 425 531	(106 056 989)
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Greater Letaba Municipality

Annual Financial Statements for the year ended 30 June 2014

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer to note 47 for explanations of major variances
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Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Cash received from trade services, assessment rates and rental	87 718 000	1 479 042	89 197 042	10 916 343	(78 280 699)
Grants	197 006 000	-	197 006 000	197 006 000	-
Interest income	8 367 744	2 551 007	10 918 751	11 538 256	619 505
Cash received from agency fees, fines and sundry income	-	-	-	1 253 216	1 253 216
	293 091 744	4 030 049	297 121 793	220 713 815	(76 407 978)

Payments

Suppliers and employees	(147 973 500)	-	(147 973 500)	(133 682 519)	14 290 981
Finance costs	(1 984 512)	-	(1 984 512)	(1 345 982)	638 530
	(149 958 012)	-	(149 958 012)	(135 028 501)	14 929 511
Net cash flows from operating activities	143 133 732	4 030 049	147 163 781	85 685 314	(61 478 467)

Cash flows from investing activities

Purchase of property, plant and equipment	(149 204 700)	(11 997 921)	(161 202 621)	(72 609 613)	88 593 008
Proceeds from sale of property, plant and equipment	100 000	-	100 000	-	(100 000)
Purchase of other intangible assets	-	-	-	(124 659)	(124 659)
Purchase of financial assets	-	-	-	(426 827)	(426 827)
Proceeds from sale of financial assets	44 652 000	-	44 652 000	-	(44 652 000)
Net cash flows from investing activities	(104 452 700)	(11 997 921)	(116 450 621)	(73 161 099)	43 289 522

Cash flows from financing activities

Repayment of other financial liabilities	(620 000)	(172 000)	(792 000)	(816 637)	(24 637)
Net increase in cash and cash equivalents	38 061 032	(8 139 872)	29 921 160	11 707 578	(18 213 582)
Cash and cash equivalents at the beginning of the year	30 587 027	48 464 959	79 051 986	103 997 528	24 945 542
Cash and cash equivalents at the end of the year	68 648 059	40 325 087	108 973 146	115 705 106	6 731 960



CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

6.1. INTRODUCTION

The municipality has over the past years received negative audit opinions. In 2012/2013, the municipality received a disclaimer opinion. In 2013/2014, the municipality received a qualified audit opinion. In response to the Auditor General's audit opinion has developed measures to correct the situation. The Audit Action Plan outlined in the report will be implemented by management and monitored by Executive Committee and Council.

In order to improve capacity, the municipality will ensure that training of employees on financial management and performance management is prioritised. Internal controls and work procedures for directorates will be reviewed. The municipality shall develop and implement forward-planning approach to accelerate service delivery. Review the procurement plan and ensure that timelines are strictly adhered to.

6.2. REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL ON GREATER LETABA MUNICIPALITY

Introduction

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

Accounting officer's responsibility for the financial statements

2.The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on 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 [consolidated and separate] financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Property, plant and equipment

6. In terms of SA Standards of GRAP 17 *Property, plant and equipment* an item of property plant and equipment should be recognised as an asset if probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably. The municipality accounted for land amounting to R6 723 160 in its accounting records of which I was unable to reliably determine how the municipality arrived at these values. Consequently, I was unable to determine the correct net carrying amount of land amounting to R21 919 710 as disclosed in note 9 to the financial statements as it was impracticable to do so.

7.I identified unexplained differences of R16 573 151 when recalculating the opening balance of accumulated depreciation. Consequently, accumulated depreciation is overstated by R16 573 151 and accumulated surplus understated by R16 573 151.

Consumer debtors

8.During 2013, the electricity accounts receivable balance of R12 972 850, as disclosed in note 9 to the financial statements, does not agree to the balance of R11 126 879 per the accounting records. The municipality did not reconcile the difference of R1 845 970 between the financial statements and the underlying accounting records. Consequently, the accounts receivable balance is overstated by R1 845 970. I was unable to determine the effect on the other account balances or classes of transactions contained in the financial statements. My audit opinion on the financial statements for the period ended 30 June 2013 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Revenue

9.During 2013, I was unable to obtain sufficient appropriate audit evidence that management has properly charged and accounted for all revenue from property rates for the current and prior years due to the status of the accounting records. The billing system has not been updated with the supplementary valuation that was performed and a difference of R179 123 544 was identified between the billing system and the valuation roll. I was unable to confirm the property rates revenue by alternative means. Consequently, I was unable to determine whether any adjustment to property rates revenue stated at R6 418 553 in the financial statements was necessary. My audit opinion on the financial statements for the period ended 30 June 2013 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

10.The SA Standards of GRAP 9 *Revenue from exchange transactions* requires that revenue shall be measured at the fair value of the consideration received or receivable. Revenue on electricity sales was billed based on estimated readings by the municipality and as a result I am unable to determine the correctness of the revenue balance of R10 504 272 (2013: R11 822 993) as disclosed in note 19 to the financial statements. Consequently I was unable to determine the impact of estimates billings on trade and other receivables.

Interest received - outstanding receivables

11.The municipality did not implement the approved council tariff policy correctly for the levying of interest on outstanding debts. An addition, the municipality did not charge interest at the correct rate as approved by council. Consequently, I was unable to determine the correctness of interest received on outstanding debt of R6 120 546 as disclosed in the financial statements as it was impracticable to do so.

Qualified opinion

12.In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, financial statements present fairly, in all material respects, the financial position of the Greater Letaba Municipality as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with the SA standards of GRAP, the requirements of the MFMA and the DoRA Emphasis of matters.

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

Material impairment

14.As disclosed in note 6 to the financial statements, the municipality has impaired the amount of R66 925 177 on consumer debtors as a result of inadequate debt collection practices.

Restatement of corresponding figures

15.As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the municipality at, and for the year ended 30 June 2014.

Irregular expenditure

16.As disclosed in note 38 to the financial statements, irregular expenditure to the amount of R6 139 973 was incurred due to the contravention of supply chain management regulations.

Unauthorised expenditure

17.As disclosed in note 36 to the financial statements, unauthorised expenditure to the amount of R19 905 685 was incurred due to overspending of two votes.

Additional matter

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

Unaudited disclosure notes

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

Unaudited supplementary information

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

Report on other legal and regulatory requirements

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

Predetermined objectives

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

Basic service delivery and infrastructure on pages x to x

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

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

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

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

Basic service delivery and infrastructure

Reliability of reported performance information

27.The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

Additional matter

28.I draw attention to the matter below:

Achievement of planned targets

29.Refer to the annual performance report on pages xxx to xxx for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 27 of this report.

Compliance with legislation

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

Strategic planning and performance management

31.The municipality did not afford the local community at least 21 days to comment on the final draft of its integrated development plan before the plan was submitted to council for adoption, as required by *Municipal planning and performance management regulation 15(3)*.

32.The annual performance report for the year under review does not include all performance targets of the municipality, as required by section 46 (1)(a) of the MSA.

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

Budgets

34.Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

Financial statements

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

36.Material misstatements of non-current assets, current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

37.Sufficient appropriate audit evidence could not be obtained that two contracts were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as they were not submitted for auditing.

38. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) and (c).
39. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).
40. Invitations for competitive bidding were not always advertised for a required minimum period of days, as required by SCM regulation 22(1) and 22(2).
41. 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).
42. Contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and its regulations.
43. The prospective providers list for procuring goods and services through quotations was not updated at least quarterly to include new suppliers that qualify for listing, and prospective providers were not invited to apply for such listing at least once a year as per the requirements of SCM regulation 14(1)(a)(ii) and 14(2).

Expenditure management

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

Revenue management

45. An adequate management, accounting and information system which accounts for revenue was not in place, as required by section 64(2)(e) of the MFMA.
46. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset and liability management

47. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

48. 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.

Internal control

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

Leadership

50. The accounting officer did not adequately review the financial statements and the annual performance report prior to their submission for audit and thus a number of material misstatements were identified.

51. The municipality did not have sufficient monitoring controls to recognize and measure assets according approved asset policy and reconcile accounting records.

52. The municipality did not have sufficient monitoring controls to ensure adherence to the internal policies and procedures at a programme/objective level and for purposes of taking corrective action.

Financial and performance management

53. The accounting officer did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.

54. Management did not implement daily and monthly processing controls as a result performance report was not adequately reviewed for accuracy.

55. The municipality did not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information.

56. The municipality did not have adequate capacity in the asset management unit.

57. Compliance with applicable laws and regulations was not adequately reviewed and monitored.

Governance

58. The audit committee did not adequately perform its oversight and monitoring responsibility as the audit committee was not always invited to make presentations before council when ordinary council meetings were postponed and later reconvened.

59. There was a slow response in implementing the recommendations made by external auditors. Furthermore, there is a lack of commitment in ensuring that the internal audit recommendations are implemented.

Polokwane
28 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

6.3.REMEDIAL ACTION TO ADDRESS THE AUDIT EXCEPTIONS

Greater Letaba Municipality Consolidated Management Corrective Action Plan – Auditor General's Report For 2013/2014: Audit Opinion - Qualified

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to date	Narrative to the progress
Disclosure Items- Prior year qualification issues not resolved	Matters affecting the auditor's report	Adjustment to property rates revenue stated at R6 418 553 (2012: R6 920 579) in the financial statements not substantiated	Action plan was not adequately implemented	Recurring	The adjustment amount will be taken to council for approval to be written as irrecoverable	01-Jan-15	30-Jun-15	Mankgabe MF	Chief Financial Officer	Not resolved	Item to be taken to council in January 2015
	Matters affecting the auditor's report	A correction of error to the impairment loss of accounts receivables in the prior year was processed directly to bad debts expense instead of accumulated surplus resulting in the bad debts expense comparative figure showing a negative amount of R6 887 685 in the statement of financial performance	Action plan was not adequately implemented	Recurring	A journal will be processed to correct the error.	01-Feb-14	30-Mar-15	Mankgabe MF	Chief Financial Officer	Not resolved	Journals to be processed now in February
		Trade and other receivables reflected as R1 645 497 is overstated by R986 486 of suspense account that was not cleared.			Investigations for will be done to track the reason of overstatement and corrections will be effected by passing journals.	01-Feb-14	30-Apr-15	Mankgabe MF	Chief Financial Officer	Not resolved	Officials will be engaged to clear the suspense account.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to date	Narrative to the progress
		Receivables-Other debtors without adequate supporting documents-R 725 890			Investigations for will be done to track the figure and corrections will be effected	01-Feb-14	30-Apr-15	Mankgabe MF	Chief Financial Officer	Not resolved	Officials will be engaged to clear the suspense account.
		Receivables-Other debtors without adequate supporting documents- R 516 754			Investigations for will be done to track the figure and corrections will be effected	01-Feb-14	30-Apr-15	Mankgabe MF	Chief Financial Officer	Not resolved	Officials will be engaged to clear the suspense account.
		Receivables-Difference between AFS and age analysis presented per customer type in Note.9-R 1 845 970			Investigations will be conducted to check the cause of the difference and corrections will be done	01-Jan-14	30-Apr-15	Mankgabe MF	Chief Financial Officer	Not resolved	The officers are already engaged to resolve the difference.
Procurement-Inconsistency of the policy with the (SUPPLY CHAIN) regulation	Matters affecting the auditor's report	The municipality's Supply Chain Management policy paragraph 74 states that "Irrespective of the procurement process, the Municipality may not make any award above R30 000, to a person who's tax matters have not been declared by the SARS to be in order.	The accounting officer does not exercise oversight responsibility over compliance with laws and regulations.	New	The accounting officer will exercise oversight responsibility over compliance with laws and regulations throughout	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	A monthly exercise.	All Quotations above R15 000 tax clearance is submitted.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
					the financial year under review.						
Procurement-Composition of the Bid Specification Committee not verified (22)	Matters affecting the auditor's report	Minutes of the specification committee not submitted and composition of the committee could not be verified.	Poor record management	Recurring	The minutes of the bid specification committee as well as composition of bid committees to be filed in relevant bid files from time to time.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Bid file is compiled with all minutes of bid committees attached
Procurement-Three quotations were not obtained from suppliers	Matters affecting the auditor's report	None compliance to supply chain regulations 12(1) (C) & 17(a) that three quotations not obtained.	None compliance to legislation.	New	The relevant supply chain regulations to be regularly applied.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	To be resolved in current adverts
Procurement-None compliance not recorded in the deviation register	Matters affecting the auditor's report	None compliance to supply chain regulations 17 (c) & 36 (2) that three quotations not obtained.	None compliance to legislation. Irregular expenditure misstated.	Recurring	The relevant supply chain regulations to be regularly applied.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Management will record deviation as and when they happen. Irregular expenditure is avoided at all costs.
Procurement-Splitting of quotations to avoid competitive bidding	Matters affecting the auditor's report	None compliance to supply chain regulations 12(3) prohibiting splitting of quotations	None compliance to legislation.	New	The relevant supply chain regulations to be regularly applied.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Irregular expenditure is avoided at all costs

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Procurement-Period for request of quotations not of not verifiable	Matters affecting the auditor's report	None compliance to supply chain regulations 18(a) and 17 quotations should be advertised for seven days.	None compliance to legislation.	New	The relevant supply chain regulations to be regularly applied.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	All bids and quotation advertised are now dated.
Procurement-Points awarded for pricing could not be verified	Matters affecting the auditor's report	Preferential Procurement Regulation 5 (1) required formula not used to calculate price	None compliance to legislation. Lack of monitoring.	New	The formulas to calculate the price will be applied in terms of Preferential Procurement Regulation 5(1).	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	Detailed report prepared on all projects.
Procurement &Records-Bid files not submitted	Matters affecting the auditor's report	Section 74 of the MFMA was contravened whereby bid files were not submitted to Auditor General.	None compliance to legislation. Lack of record keeping.	Recurring	The municipality will fully apply section 74 of MFMA	01-Jul-14	30-Nov-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	All bid files to have a register and signed on request of file
Procurement-Points not recorded to two decimal places	Other important matters	Preferential Procurement Regulation 11 (4) was contravened by not rounding the points to two decimal places.	None compliance to legislation.	New	The municipality will fully apply Preferential Procurement Regulation 11(4) whereby rounding off the points to two decimal places must be performed.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	Points are now rounded -off as per legislation

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Procurement-points awarded for invalid BBBEE certificate.	Matters affecting the auditor's report	Preferential Procurement Regulation 5(2) was contravened by awarding points for the invalid BBBEE certificate	None compliance to legislation. Lack of record keeping. Verification of BBBEE certificates not performed.	New	The bid committees will verify the validity of BBBEE certificates throughout the financial year.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	all Bee certificates are verified during adjudication on the website.
Procurement-functionality criterion to be applied not disclosed.(21)	Matters affecting the auditor's report	No reference was made to functionality criterion of awarding bids. Preferential Procurement Regulation section (4) and (5) not complied with.	None compliance to SCM Regulations.	New	Only relevant bids will have the functionality evaluated and adjudicated.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	All bids advertised with the functionality criterion are evaluated and adjudication with the criteria set.
Procurement-Bidders awarded with rates and taxes accounts in areas	Matters affecting the auditor's report	Bidders of the projects within the municipality were awarded tenders even though their municipal accounts were in arrears for more than three months. This was contrary to the Supply Chain Management Regulations 28(1) (C) and 38(1)(d)(i) of the same regulation.	None compliance to SCM Regulations.	New	The bid committees will apply the supply chain management regulations 28(1) (c) and 38 (1)(d)(i) of the same regulation whereby municipal water and lights will be thoroughly scrutinized.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Prospective suppliers are notified through the bid document as a requirement that to bid document you must be paying the service and no areas are allowed.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Procurement-tax clearance not submitted	Matters affecting the auditor's report	It was noted that the bidder did not submit a tax clearance and no evidence was included in the file indicating steps taken by management to communicate with SARS. Contravening SCM regulations 43(2) & (3) including MFMA circular no. 29	None compliance to SCM regulations and none implementation of MFMA circulars.	New	The municipality will comply with the relevant SCM regulations and MFMA circular.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	All Quotations above R15 000 tax clearance is submitted.
Procurement-Bid evaluation committee preferred suppliers not as per adjudication committee recommendations	Matters affecting the auditor's report	It was noted that the adjudication committee made recommendation which was not as per evaluation committee however there was no reference made to this fact in adjudication report and therefore could not confirm whether or not the accounting officer was aware.	None compliance to SCM regulations	New	Where the two bid committees differ it will be clearly stated in the bid adjudication report.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Detailed report prepared on all projects.
Procurement-Composition of the Bid Adjudication Committee	Matters affecting the auditor's report	The composition of the adjudication committee was not in line with SCM regulation 29(2)	None compliance to SCM regulations	Recurring	The Accounting Officer approves the composition of all the bid committees and are kept in the bid files.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	Senior Manager are appointed to be members of the committee

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Procurement-date of receipt of bid not recorded in the bid register	Matters affecting the auditor's report	The bids received for projects were not listed in the tender register and could not be verified that the bid of the winning service provider was received before closing date.	None compliance to SCM regulations	New	The tender registers will always be monitored to ensure accuracy and completeness.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	The register has a date attached on all advertised bids
Procurement-Tender register not published in the municipal website(38)	Matters affecting the auditor's report	Bids received were not registered in the municipal website contravening SCM regulation 23 (c) (i) (ii) and (iii)	None compliance to SCM regulations	New	The relevant SCM regulation will be applied for all the bids in the financial year.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Registration of current bids is in progress.
Procurement-Bids not recorded in the tender register	Matters affecting the auditor's report	Bids received were not registered in the tender register contravening SCM regulation 23 (c) (i) (ii) and (iii)	None compliance to SCM regulations	Recurring	The tender registers will always be monitored to ensure accuracy and completeness.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	all bids recorded upon closing date
Procurement-Evaluation of bidders	Matters affecting the auditor's report	Capability and ability of bidders to deliver a quality product was not assessed or the criterion could not be disclosed	None compliance to SCM regulations	Recurring	Capability and ability of bidders to deliver a quality product will be assessed.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	The consultant's opinion used on quality check.
Procurement-None submission of information	Matters affecting the auditor's report	MFMA Sec 32(4) reports on unauthorised, irregular, fruitless and wasteful expenditure that were issued during the year under review 2013/2014 were not submitted.	None compliance with laws and regulations	New	The municipality will carefully apply MFMA section 32(4).	01-Jul-14	30-06-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	Management is still working on record keeping

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Other Disclosure- Compliance Budget submitted late	Other important matters	Through inspection of the itinerary submitted as evidence of submission of the approved annual budget, the budget was submitted on 13/06/2014 after being approved by council on 31/03/2014 which is ten days after not in accordance of the MFMA	lack of monitoring by management to ensure that documents are submitted to the relevant department in time	New	Investigations was conducted and the was an error on the side of the auditor. The Budget was submitted in time.	01-Jan-15	31-01-15	Mankgabe MF	Chief Financial Officer	Resolved	The finding was wrongly raised
Predetermined Objectives- Compliance on annual report	Other important matters	The oversight report and minutes of the council shows that the oversight report and the annual report was submitted late after 7 days. Council adopted the annual report on the 31 march 2014 and submitted on 23 May 2014	lack of monitoring by management to ensure that documents are submitted to the relevant department in time	New	Management to adhere to cut off dates	01-03-15	30-05-15	Dr. M.B. Letsoalo	Director Corporate Services	Not resolved	To be resolved upon submission of the annual report.
Commitments - There were no service level agreements/ contracts for the service providers listed in the commitment schedule	Administrative matters	In terms of section 62(1) (b) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration, and must for this purpose take all reasonable steps to ensure, that full and proper records of the financial affairs of the municipality are kept in accordance with norms and standards. Contrary to this the service level agreement was not submitted.	Management does not have controls in place to ensure that all approved service providers have contracts/service level agreements	Recurring	The municipality will ensure that all approved service providers have service level agreements properly signed and filed.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	A checklist will be developed, ticked and placed in every bid file as a good control measure.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Commitments - The difference between the contract price per the commitment schedule to the price per the service level agreement	Matters affecting the auditor's report	Through the audit work performed there were differences between the contract price per the commitment schedule to the price per the service level agreement.	The commitment schedule is not reviewed regularly by ensuring that it agrees to supporting documentation.	Recurring	It will be ensured that the commitment schedule is kept accurate and complete to match supporting documentation.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	The differences will be reconciled before the end of third quarter.
Commitments - A service level agreement was omitted from the commitment schedule	Matters affecting the auditor's report	Through the audit work performed it was noted that a service provider committed to was not included in the commitment schedule	The commitment schedule is not reviewed regularly by ensuring that it agrees to supporting documentation	Recurring	It will be ensured that the commitment schedule is kept accurate and complete to match supporting documentation.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	All commitments omitted in previous financial year as audited will be included.
Vacancies in the municipality not filled	Other important matters	According to section 68 of the MSA a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 1999 (Act No. 28 of 1999). Contrary to the above it	Lack of proper monitoring by management to ensure that vacancies are filled.	New	The management will ensure that critical posts are filled as per policy.	01-Jan-15	30-Jun-15	Dr. M.B. Letsoalo	Director: Corporate Services	Partially resolved	Director: Corporate Services post is filled. Two posts of Traffic Officers are filled. Shortlisting for PMU Manager, Assistant Director: Revenue, Assistant Director ICT, Assistant Director: PMS; Assistant Director: Electrical shortlisted.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
		was noted that the Municipality did not fill the some critical posts since the date they became vacant.									
Internal controls on use of consultants for financial reporting purposes	Other important matters	Based on the audit procedures performed on the use of the consultants the following were identified:	Management oversight about the requirements of the guide for Municipal accounting officers	Recurring	Policy will be developed and approved	01-Jan-15	30-May-15	Dr. M.B. Letsoalo	Director: Corporate Services	Not resolved	Policy still to be developed
		The municipality does not have a policy or strategy that defines the main purpose and objective for appointing consultants.			Policy will be developed and approved	01-Jan-15	30-May-15	Dr. M.B. Letsoalo	Director: Corporate Services	Not resolved	Policy still to be developed
No fraud prevention plan in place	Other important matters	It was noted that the municipality does have a fraud prevention plan in place for the year under review.	Management oversight about the requirements of the guide for Municipal accounting officers.	New	Fraud prevention policy has been developed.	01-Nov-14	1-Dec-14	Dr. M.B. Letsoalo	Director Corporate Services	Resolved	Council approved the policy.
Non-implementation of audit committee resolutions	Other important matters	Audit committee resolutions not implemented. 1. Conduct quality assurance on bid specifications.	Lack of capacity in supply chain management unit.	New	Resolution register to be used as management tool	01-Jul-14	30-Jun-15	Mankgabe MF	CFO	Resolved	Procurement plan developed and implemented.
		2. Development of schedule of bid committee meetings aligned to the corporate calendar.									

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Poor record management	Administrative matters	it was identified that record keeping is not in place to ensure complete, relevant and accurate information is accessible and available to support the procurement processes followed. :- Service Level Agreements Advertisement for invitation of prospective suppliers Irregular, unauthorized, fruitless and wasteful expenditure register Files for awards	Lack of monitoring by managed to ensure effective record keeping and management is maintained.	Recurring	The municipality should improve on records keeping by maintain all inclusive bid files.	01-Jul-14	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not resolved	All files to be reviewed and checked for accuracy and completeness
SCM quarterly report not submitted timeously to the mayor	Administrative matters	It was identified through inspection of the audit committee year-end report that management failed to submit the second quarter SCM report to the Mayor	Lack of capacity in supply chain management unit to lead delays in the timeous preparation of the SCM 2nd quarter report.	New	Management will ensure that SCM reports are submitted Quarterly to Mayor.	30/9/2014	30-Jun-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Resolved	Reports submitted to EXCO and Council Quarterly
Prospective suppliers not invited for registration on annual basis	Administrative matters	it was noted through inspection of the municipality's website that there was no notice issued for registration of prospective suppliers during the year under review.	Management oversight about the requirements of the supply chain management regulations.	New	Management to advertise in the third Quarter	1-Jan-15	31-Mar-15	Thoka BJ	Assistant Director: SCM & Auxiliary Services	Not Resolved	To advertise by end of January
Predetermined objectives-Targets do not meet SMART criteria	Other important matters	As per inspection of the SDBIP, it was noted the following targets did not meet the SMART criteria	Lack of proper training provided for the municipal officials who are tasked with compiling the SDBIP.	Recurring	The municipal official who is tasked with compiling the SDBIP is trained.	1-Jan-15	31-Mar-15	Dr. M.B. Letsolo	Director: Corporate Services	Resolved	The SDBIP for 2014/2015 contains targets that meet the SMART criteria

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Predetermined objectives- The municipality has not reported on one of the Basic Services Infrastructure Development strategic objectives as listed	Other important matters	As per inspection of the municipality's Service Delivery Budget Implementation Plan (SDBIP) and the Annual Performance Report (APR), it was noted that the municipality neither included the 'Integrated Sustainable Human Settlement' strategic objective (as listed in the Integrated Development Plan) in the SDBIP nor reported thereon in the APR	Lack of effective review of the SDBIP by management and those charged with governance.	Recurring	The management has relocated PMS function to the Office of the Municipal Manager, created and advertised it to enable effective review. The strategic objective Integrated Sustainable Human Settlement will be included in the SDBIP	1-Jan-15	31-Mar-15	Dr. M.B. Letsolo	Director: Corporate Services	Resolved	The SDBIP for 2014/2015 contains the strategic Objective Integrated Sustainable Human Settlement.
Predetermined objectives- No consistency between reported targets and planned targets for the Basic Services Infrastructure Development Key Performance	Other important matters	As per inspection of the municipality's Annual Performance Report, it was noted that fifty two percent (52%) of the reported targets were not consistent with the planned targets	Lack of effective review of the SDBIP by management and those charged with governance.	Recurring	The PMS function to the Office of the Municipal Manager, created and advertised it to enable effective review. The reported targets are consistent with the planned targets.	1-Dec-14	31-Jan-15	Dr. M.B. Letsolo	Director: Corporate Services	Resolved	The reported targets are consistent with the planned targets (Annexure - Midyear Performance Report)

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Immovable Assets-Property values as per asset register did not have adequate supporting documentation	Matters affecting the auditor's report	Value of land included in the asset register amounting R 6 723 160.40 could not be traced to the valuation roll and supporting documents.	The value of land in the asset register was not reconciled to the asset register to certify that land in the financial statements is recorded at the appropriate amount.	New	the values of land in the asset register will be corrected in accordance with the valuation roll. And the Journals will be processed.	01-Feb-15	4-Apr-15	Mankgabe MF	Chief Financial Officer	Not Resolved	Asset section to correct
Assets-reconciliation between asset register and the General Ledger were not prepared on monthly basis.	Matters affecting the auditor's report	Section 63(2)(a) of the Municipal Finance Management Act states that the accounting officer must for the purposes of subsection (1) take all the reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality. Through enquiry with the asset management we noted that reconciliations between the fixed asset register and the general ledger were not prepared on a monthly basis	he CFO did not put controls in place to ensure that assets are reconciled on a monthly basis.	New	Monthly reconciliation will be done monthly	01-Jan-15	30/04/2015	Mankgabe MF	Chief Financial Officer	Not resolved	Reconciliation to be back dated back from July 2014

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Movable Assets- Opening balance of accumulated depreciation is misstated	Matters affecting the auditor's report	A difference of R6 364 468.20 was identified when we compared the opening balance of the accumulated depreciation recorded in the asset register and the recalculated opening balance	The CFO did not review depreciation calculated by Price Water House Coopers to ensure that depreciation is accurate.	Movable Assets- Depreciation rates are not consistent with the asset management policy	Matters affecting the auditor's report	Through inspection of the fixed asset register we noted that the depreciation rates applied on assets are not consistent with the depreciation rates quoted in the asset management policy. The municipality has not applied its policy when depreciating assets throughout the financial period under review		The asset management policy has not been reviewed and as a result the municipality has adopted the depreciation rates in the financial statements	New	Policy to be developed and amended	01-Feb-15 30-May-15
Prior balance of impairment loss adjusted without valid supporting documents	Matters affecting the auditor's report	A difference of R 139 829.00 was identified when we compared the prior year balance of impairment loss to the current year balance in the financial statements.	Lack of effective review of financial statements by management to ensure that the information presented in the financial statements is	Recurring	Corrections to be effected in the asset register and to be treated in the correct balances.	01-Jan-15	31-Mar-15	Mankgabe MF	Chief Financial Officer	Not resolved	All opening balances are still reviewed

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
			correct.								
Inventory – missing stock cards	Administrative matters	Stock cards could be provided for inspection for Flexi connection 15mm	Lack of monitoring by management to ensure that the record keeping is enhanced throughout the financial year.	New	The stock will be re-packaged and stock cards correctly pulsed on the shelf	01-Jan-15	31-Mar-15	Mankgabe MF	Chief Financial Officer	Not resolved	Stores section busy with repackaging.
Inventory – Stock instructions not documented	Administrative matters	it was noted during observation of the stock count that the inventory count instructions or procedures are not documented.	The inventory policy has not been reviewed to include procedures relating to performance of stock count.	New	instructions already documented	01-Dec-15	31-Jan-15	Mankgabe MF	Chief Financial Officer	Resolved	policy will also be revived
Movable Assets- Management has not prepared a list of assets that were not working in the period under review	Other important matters	During the physical verification of assets and enquiry with the end users, certain assets are not being used for their intended purposes due to their poor condition. However, the municipality had not assessed these assets for impairment.	Lack of monitoring by management to ensure that assets are utilized for the intended purposes and that maintenance is performed on regular basis.	New	Disposal report to be submitted to council for approval	01-Feb-15	04/31/2015	Mankgabe MF	Chief Financial Officer	Not resolved	Asset section to compile the report.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Movable asset- Accumulated depreciation was incorrectly charged	Matters affecting the auditor's report	A difference of R 18 049.16 was identified when we compared the accumulated depreciation recorded in the asset register and the recalculation performed.	The CFO did not review depreciation calculated by Price Water House Coopers to ensure that depreciation is accurate.	New	Management verified the finding and AG did not consider impairment loss.	01-Jan-15	31-Jan-15	Mankgabe MF	Chief Financial Officer	Resolved	Finding was not supposed to be raised
MPR S & T – Non-compliance with MPR	Other important matters	During the audit, we noted that the Municipality does not comply with Municipal Performance Regulations in calculation and payment of travel claims for Section 57 Managers	The management is not aware of regulation no.9 (2) of the Municipal Performance Regulations (MPR). Management calculated the amount paid as travel claims based on total number of kilometres claims in each month instead of subtracting the first 500 km as required by Municipal Performance Regulations.	New	Payments to be claimed from officers	1-Jan-15	31-Mar-15	Mankgabe MF	Chief Financial Officer	Not resolved	the regulation changed from the 1st January 2014
Payables from exchange transaction: Bonus provision not	Other important matters	During the audit of payables from exchange transaction, we noted that calculations for provision of bonus has been calculated incorrectly.	Lack of proper review of the financial statements to ensure that the accuracy of	New	Bonus provision to be recalculated	1-Jan-15	31-Mar-15	Mankgabe MF	Chief Financial Officer	Not resolved	Appointment dates of officers to be verified against date assumption of duty.

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
computed correctly			the information presented.								
Predetermined objectives- Performance Indicators and targets not set for one of the strategic objectives of the Basic Services and Infrastructure Development	Other important matters	As per inspection of the SDBIP and the Annual Performance Report, it was noted that performance indicators and targets were not set for the 'Integrated Sustainable Human Settlement' strategic objective as listed in the Integrated Development Plan.	Lack of effective review of the SDBIP by management and those charged with governance.	Recurring	The management has set the performance indicators and targets for Integrated Sustainable Human Settlement strategic objective in the SDBIP. The problem was that the targets were not properly placed in the SDBIP.	1-Jan-15	31-Mar-15	Dr. M.B. Letsolo	Director: Corporate Services	Partially resolved	The performance indicators and targets are properly aligned with the Integrated Sustainable Human Settlement strategic objective
Predetermined objective- AoPo - Lack of proper internal controls	Other important matters	The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls as required by section 62(1)(c)(i) of the Municipal Finance Management Act.	Management does not have sufficient knowledge to manage performance information to ensure that the actual results reported are valid and accurate.	Recurring	Training of officers	1-Jan-15	31-Mar-15	Dr. M.B. Letsolo	Director Corporate Services	Resolved	Officer trained.
Predetermined objectives- AoPo - Projects not recorded in	Other important matters	The annual performance report for the year under review does not include all performance targets of the municipality, as required by	Lack of effective review and monitoring by management	New	The management will ensure that roll over projects are	1-Jan-15	31-Mar-15	Dr. M.B. Letsolo	Director: Corporate Services	Not resolved	Projects carried over from prior year will be traced to the current year annual report and will be

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
the annual report		section 46 (1)[(a) / (b) / (c)] of the Municipal Systems Act. Projects carried over from prior year were traced to the current year annual report and there were not recorded.	to ensure that all uncompleted projects from prior year are included in the current year's Strategic Development and Budget implementation plan.		annexed to the current SDBIP						recorded.
AoPo - Targets set in the SDBIP were not achieved	Other important matters	During the audit we noted in the annual report that the targets were not achieved by year end as planned in the IDP and SDBIP. We further noted that the auditee could not provide sufficient and appropriate data on how the progress reported was calculated and as a result we could not recalculate the accuracy of the progress reported by the auditee in the annual report.	The procurement section is very slow in completing the procurement process and appointment of services providers. Lack of knowledge on how projects in progress can be evaluated to ensure that the calculation is easy and practical to recalculate.		The management will ensure that a description of measures is attached to the SLAs and the progress report.	1-Jan-15	30-Jun-15	Mr Molokomme CW	Director: INDEP	Not resolved	Description of measures to track and confirm projects progress will be developed.
AoPo – Non-compliance with MPPMR	Other important matters	The Municipality did not afford the local community at least 21 days to comment on the final draft of its integrated development plan before the plan is submitted to council for adoption. Through inspection of the attendance register for public	Non-compliance with municipal planning and performance management regulation.	New	Regulation to be adhered to	1-Jul-14	31-May-15	Mr Molokomme CW	Director: INDEP	Not resolved	To comply with legislation

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
		participation, the public participation started on 7 May 2014 and ended on 20 May 2014 while the council approved the IDP on 29 May 2014, which is less than 20 days as required									
Provisions: No License for the landfill site	Other important matters	The municipality does not have a permit for the landfill site which is in contravention of environmental legislation.	Managements lack of knowledge with regards to the requirements of legislation.	New	Licence followed-up and already issued in December	01-Nov-14	1-Jan-15	Mohale ID	Director Community Services	Resolved	Licence issued
Consumer Debtors: No discontinuance of service for long outstanding debtors	Administrative matters	Debtors have statement account balances outstanding for longer than 90days and there has been no notification letters of intention to discontinue service and neither has there been discontinuation of service	No readily available electrician to work with the finance department and perform the duty of shutting down electricity service. Low recoverability of debtors as there is no consequence attached to non-settlement of accounts	New	Notices were issued. Electricity cut off and follow up of accounts to be introduced.	01-Nov-14	1-Jan-15	Mankgabe MF	Chief Financial Officer	Resolved	Follow-ups already introduced
Consumer Debtors: Non-compliance with the municipality's credit policy for debt collection	Matters affecting the auditor's report	Management has not appointed debt collectors to facilitate the collection of long outstanding debtor amounts and subsequently none of the outstanding debtors have been sent to attorneys for legal action.	Lack of effective implementation of policies and monitoring by management	New	Notices were issued. Electricity cut off and follow up of accounts to be introduced.	01-Nov-14	1-Jan-15	Mankgabe MF	Chief Financial Officer	Resolved	Municipality busy trying to follow-up accounts

Audit Findings	Category of Finding	Description of Finding	Root Cause	Finding Status	Action Plan Description	Start Date	Due Date	Person Responsible	Position held	Progress to	Narrative to the progress
Revenue - Actual readings as per the reading sheet differs to the readings captured on the system	Matters affecting the auditor's report	There is a difference identified on the readings as per the Actual reading sheet and the reading recorded on the system.	Lack of capacity contributed to the readings not to be performed on regular basis. Lack of monitoring by management to ensure that activities are executed effectively.	New	Regular reviews will be conducted	01-Jan-15	30-Apr-15	Mankgabe MF	Chief Financial Officer	Not resolved	Reconciliation to be done Monthly
Revenue - Incorrect interest rate used to calculate the interest on long outstanding debt	Matters affecting the auditor's report	It was identified through enquiry and inspection of the system that the interest on long outstanding debts is charged at the rate of 18%.	Lack of oversight by management to ensure that the percentage on the system agrees to the percentage approved by the council.	New	Resolution already traced and 18% is the was already approved by council.	01-Jan-15	30-Apr-15	Mankgabe MF	Chief Financial Officer	Resolved	Resolution was available at the time of Audit. And has been traced.
Revenue - Customers are billed on the estimated amounts by the system	Matters affecting the auditor's report	AG identified that there are some customers that were billed based on the estimated amount for the entire year while others there is only actual readings in the first two months of the current year under audit.	Actual readings reading are not taken and captured on the system on a monthly basis.	Recurring	Management to install meters	01-Jan-15	30-Apr-15	Mankgabe MF	Chief Financial Officer	Resolved	All meters to be read on monthly