



2015/2016

**THEMBISILE HANI
LOCAL MUNICIPAL
DRAFT
ANNUAL REPORT**

Contents

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Chapter 1

COMPONENT A: MAYOR'S FOREWORD

1. EXECUTIVE MAYOR'S FOREWORD



In 2011, the Council of Thembisile Hani Local Municipality set out **"to better the lives of our people through equitable, sustainable service delivery and economic development"**. We are pleased with the progress that we have made at the end of our term of office, given the tremendous challenges that we were faced with.

We had set out to deliver on the promises we had made to our people in 2011 through the achievement of our key strategic objectives as set out in the Integrated Development Plan of the Municipality. Amongst the key deliverables we had promised, we set out to gear our efforts towards attaining a clean administration that was corruption free and also to deliver better and sustainable services to our people. As such, we have managed to maintain a Qualified Audit opinion over several years and have high hopes that our audit opinion for the 2015/2016 financial year will yield an even better outcome.

The Municipality held a sizeable number of Mayoral Izimbizo's throughout the financial year to consult our communities on their hopes and aspirations, including their needs for basic services and economic development. Ward Committee meetings in all 32 wards were held; we have successfully launched a

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Local Council of Stakeholders (THLM Local War Room); Ward-based war rooms in all 32 wards, and we have filled the most critical vacant positions.

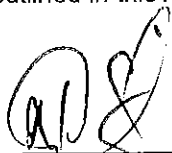
Together with our people, we have successfully hosted the President of the Republic of South Africa, his Excellency Mr JG Zuma and his cabinet to map a way forward in terms of providing a reputable services to our communities. The outcome of those engagements are yielding positive results and we are earnestly continuing with monitoring the performance of the municipality together with National and Provincial government as an integral part of our work and our promise to improve the general performance of the municipality and to encourage a culture of excellence amongst public servants.

Our five year Integrated Development Plan as adopted by the Municipal Council is aligned to the Provincial Growth and Development Strategy of Mpumalanga, the New Growth Path, the National Development Plan (NDP) and the 12 Outcomes of National government. We have strengthened our engagements with sector departments and other stakeholders through the hosting of our annual IDP and budget consultative meetings.

In spite of the tremendous challenges faced in terms of delivering basic services, infrastructure and economic development, we are proud of our achievement's during the 2015/2016 financial year and about the future. We are proud to pronounce that during the 2015/2016 financial year we have delivered on our service delivery targets in that we have successfully completed phase 1 of a new reservoir and pipeline at KwaMhlanga at amount of R34 million, we have completed phase 1 of the Kwaggafontein water scheme at an amount of R9,2 million, we have drilled and equipped numerous boreholes in various areas around Thembisile at an amount of R12,9 million, we have reticulated Milliva settlement at an amount of R5,2 million and Buhlebesizwe at amount of R6 million to name a few and we have upgraded the Tweefontein K Water Waste Treatment Works worth R14,3 million.

We are particularly gratified as a municipality to have established a credible and continued relationship with our people through engaging with grass root communities in all 32 wards and various stakeholders within our municipality including Amakhosi, the Traditional Leadership of our municipality, members of the business community and organised business forums, members of religious and faith based structures, traditional healers and other community structures during the 2015/2016 financial year. We have held about 128 mayoral outreach meetings as part of our ongoing engagements with our people in order to assess the level of development in our communities and to attain the needs and desires of our peoples to contribute towards achieving our vision and the objectives of our Council as set out in the Integrated Development Plan.

The Municipal Council adopted the last review to the 2016/2017 Integrated Development Plan to pave the way for the new Council. The IDP continuous on the trajectory the Council had set out for Thembisile Hani Local Municipality in 2011 taking into account key service delivery priorities such as water, job creation and future actions required to progressively move the municipality forward. Much more is still to be done, but there is a good story to tell. Today, we can certify and proudly pronounce that Thembisile Hani Local Municipality is a better-off place today than it was 5 years ago. The successes and achievements of the municipality during the 2015/2016 financial year are further outlined in this Annual Report in the chapters to follow.



CLLR. N.S. MTSWENI
EXECUTIVE MAYOR

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW



As the Municipal Manager of Thembisile Hani Local Municipality, I am privileged to have this opportunity in presenting the 2015/2016 Annual Report.

The report has been compiled as per the provisions of Section 46 of the Local Government: Municipal Systems Act, 32 of 2000 and the section 121 & 127 Local Government: Municipal Finance Management Act, 56 of 2003 in the new format as proposed by National Treasury.

According to Section 121 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), read with MFMA Circular No 32 and MFMA Circular No 63, the purpose of an annual report of a municipality is to:

- Provide a record of activities of the Municipality;
- Provide information that supports the revenue and expenditure decisions;
- Provide a report on performance in service delivery against Budget; and
- Promote accountability to the local community for the decisions made throughout the year;

And therefore this report will give our community a substantial insight into the workings of Thembisile Hani Local Municipality.

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The Municipality's progress in achieving its objectives as reflected in the Integrated Development Plan, the Budget and the Service Delivery and Budget implementation Plan is outlined in this Annual Report. Over the past 5 years since the Census 2011 counting and the development of the IDP there has been an immense increase in the number of households by an estimated 33 648 households due to informal settlements which make the total number of households to have increased from 75 634 in 2011 to an estimated 109 282 as at June 2015.

Over the past few years we have seen a steady improvement in the quality of our report on performance as organisational performance management becomes entrenched and as managers gain insight on performance improvement. As this way of working becomes entrenched in the municipality, it also becomes possible for our customers to measure our progress based on clearly stated objectives.

The introduction of EPWP and other mechanisms assisted us in ensuring that our environment was kept clean and green which makes us to improve service delivery within the municipality. The approval of the Integrated Development Plan (IDP) is crucial as this document guides this municipality in its long, medium and short term planning to address the ever increasing community needs.

The period under review challenged us to look for different answers and solutions. We have used our own resources, the equitable share and conditional grants to extend the provision of infrastructure.

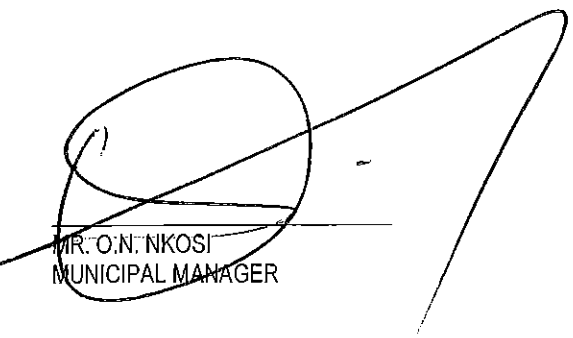
There is an urgent need to further improve on the governance, decision making and financial management to deal with budgeting, tariff setting, revenue collection, Presidential hot line, operations and maintenance planning and infrastructure asset management. The focus on financial viability will be on revenue enhancement including debt management. However we have recorded a slight improvement on revenue generation and collection.

The history of the municipality has indicated that there is an entrenched culture of non-payment of municipal services in our area, this culture has in the period under review made it difficult for the municipality to raise own revenue which can be used to do further development in the area and to extend services to areas that require such services. And so, moving forward the municipality will have to devise means to develop strategies to encourage the local residents to understand the importance of paying for services.

We have taken the opportunity in this 2015/2016 Annual Report to reflect on what we have achieved and what remains to be done especially on chapter 3. One thing is clear – as we move into the next financial year, the challenges will be ever greater. We look forward to work with all stakeholders to deliver ever better public services.

Lastly, it is also necessary to mention that we have tried to adhere to the principles of good governance as we believe that good governance is integral to economic growth, the eradication of poverty and for the sustainable development of the community we serve. We table this report in the spirit of Batho Pele, putting our people and communities first, and this report bears our testimony to our commitment for setting platforms to achieving more desired outcomes for the years ahead.

I would like to thank the Executive Mayor, Members of the Mayoral Committee, all Councillors and staff for their contribution in building the municipality to be able to provide services to the community of Thembisile Hani Local Municipality



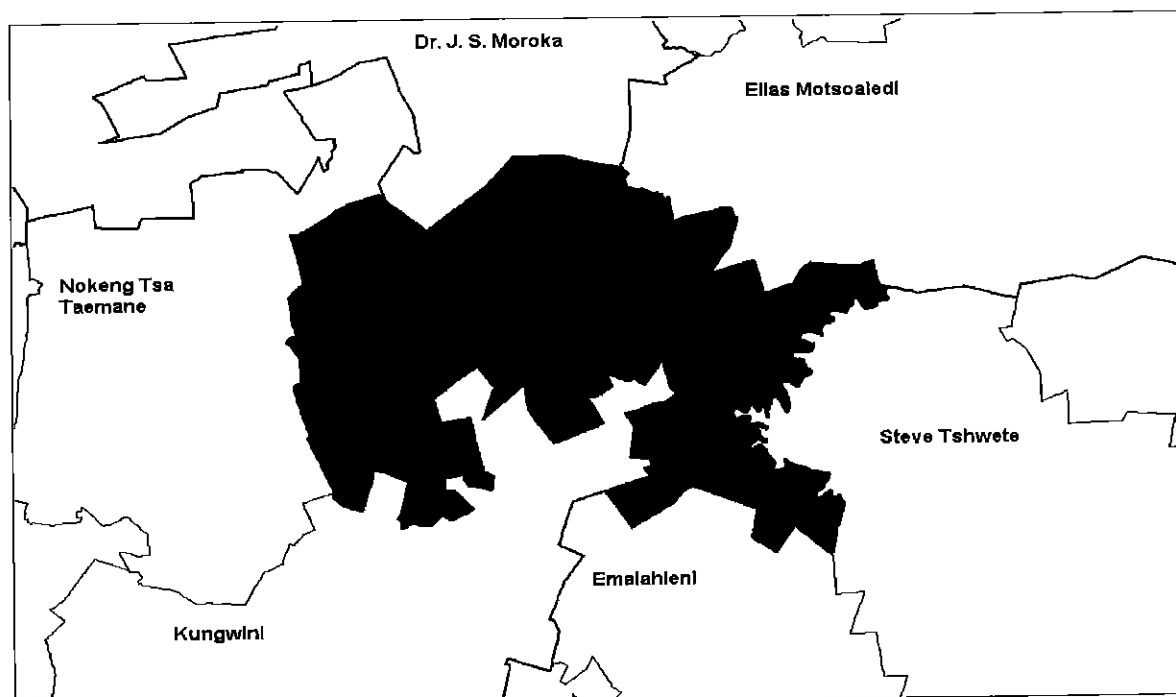
MR. O.N. NKOSI
MUNICIPAL MANAGER

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

ABOUT THEMBISILE HANI LOCAL MUNICIPALITY

Locality Map – Adjacent Local Municipalities



SOCIO-ECONOMIC OVERVIEW

Mathyzensloop, Boekenhouhoek, Bundu, Enkeldoornoog, Goederede, Moloto north & south, Sun City A-C, Phola Park, Buhlebesizwe, Vlaklaagte 1, Mzimuhle, Sybrandskraal, Vlakfontein, Witnek, Skoongesight, Modderfontein, Valchspruit, Blesbokfontein, Taaifontein, Rietfontein A, Rietfontein (Bly n Bietjie), Papskuil, Vandykspruit, Loopspruit, Nootgedaght, Serengkop, Rooipoort, Swaartkoppies, Waterval Farm, Rooigrond, Gemsbokfontein.

The majority of the urban areas are informal settlements with limited infrastructure. Urban sprawl due to un-contained and unplanned extensions of settlements is apparent and leads to challenges in providing bulk and reticulation infrastructure. Population density in urban areas is high and low in rural residential areas. Mathyzens-loop, Kwaggafontein, Verena, Milliva, KwaMhlanga and Moloto can be regarded as principal business nodes with a neighbourhood shopping centre with some anchor tenants such as chain stores in each node. Secondary nodes exist along the R573 Provincial Road leading to Marble Hall. Similar nodes exist along the R25 Provincial Road which links Kempton Park, Bronkhorstspuit and Verena to Groblersdal. To some extent, the two above mentioned provincial roads act as regional activity spines.

Most of the urban, peri-urban and agricultural settlements are situated along the R573 Provincial road also known as the Moloto Road. The road serves as a major communication and transportation route for the municipality, linking it with Marble Hall and Groblersdal to the east and Gauteng to the south-west. Many future residential and economic developments in the region are planned along the Moloto Road.

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The economic analysis of the area indicates that Thembisile Hani Local Municipality's local economy is dominated by community services, trade (formal & informal, with the latter performing higher than the former) and manufacturing. The remaining sectors are all relatively small. The municipal area's economy is very small when its GGP is compared to that of the other NDM municipalities. Agriculture has a high potential and needs to be nurtured. So is eco-tourism encompassed with rehabilitation of dilapidating tourist destinations and formation of a tourist belt. Therefore specific actions need to be undertaken to broaden the tax base and improve participation in these activities.

There are a few mining activities around the area and these contribute to the creation of jobs and their SLP's need to contribute to the uplift of the community of THLM. This issue is pursued by both council and municipality. There is a need to sign MOU's by the municipality and mining owners. The application for expansion of the Palesa Mine is receiving the attention of the municipality and the Department of Energy.

VISION AND MISSION

VISION

"To better the lives of our people through equitable, sustainable service delivery and economic development".

MISSION

- Thembisile Hani local municipality aims to work towards achieving its long-term vision by:
- Participative integrated development planning
- Sustainable and accountable, accelerated service delivery
- Promotion of socio-economic development
- Intensified community participation
- Shared economic growth
- Allocate resources within annual budgetary constraints

DEMOGRAPHIC PROFILE

Population Size

According to Stats SA (2011 Census), 310 458 people were recorded in 2011 which accounts for 23.7% of Nkangala's population. The population grew by 1.9% pa between 2001 & 2011. The population number is estimated to be in the area of 445 939 people by 2030 given the historic population growth rate per annum. Of the total population 52.4% are female and 47.6% are male and approximately 99.2% are Africans. Youth up to 34 years of age is estimated at 68.7% of the population and the number of households is 75 634 which amounts to 4.1 people per household and 21.2% of the total households in Nkangala. Female headed households are estimated at 46.1% and child headed (10-17 years) households at 0.9 % in 2011. The municipality's population has increased by about an additional 33 000 households in 2015. To date the total number of households in Thembisile is 109 282.

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Table: 2.1: Population Size

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
Population number	258 871	310 458	23.7%	7.7%	5
Number of households	58 797	75 634	21.2%	7.0%	6
Area size – km ²		2 385	14.2%	3.1%	15
Population per km ²		130			

Source: Statistic South Africa, 2011.

Population Composition

The gender composition

The gender composition of the municipality indicates that 47.6 % of the population is male and 52.4 % is female. The dominance of the female population is evident over the whole age spectrum. Figure 3.2.2a below shows that there is an increased distortion in gender composition in the age groups ranging between 15 and 54 where there are noticeably less males as compared to females. This can be attributed to the migration of the male populace to the Gauteng Region to seek better employment opportunities.

Table 3.2.2.1a: Geography by gender

Geography	Year	Male	Female	Total
Thembisile	2001	119 928	138 944	258 872
	2011	147 659	162 775	310 434
Nkangala	2001	491225	529363	1020588
	2011	656247	651882	1308129
Mpumalanga	2001	1497325	1625661	3122986
	2011	1974055	2065883	4039938

Source: Statistic South Africa, 2011.

Table 3.2.2.1b: Geography by gender (percentages)

Geography	Year	Male	Female	Total
Thembisile	2001	46.3%	53.7%	100.0%
	2011	47.6%	52.4%	100.0%
Nkangala	2001	48.1%	51.9%	100.0%
	2011	50.2%	49.8%	100.0%
Mpumalanga	2001	47.9%	52.1%	100.0%
	2011	48.9%	51.1%	100.0%

Source: Statistic South Africa, 2011.

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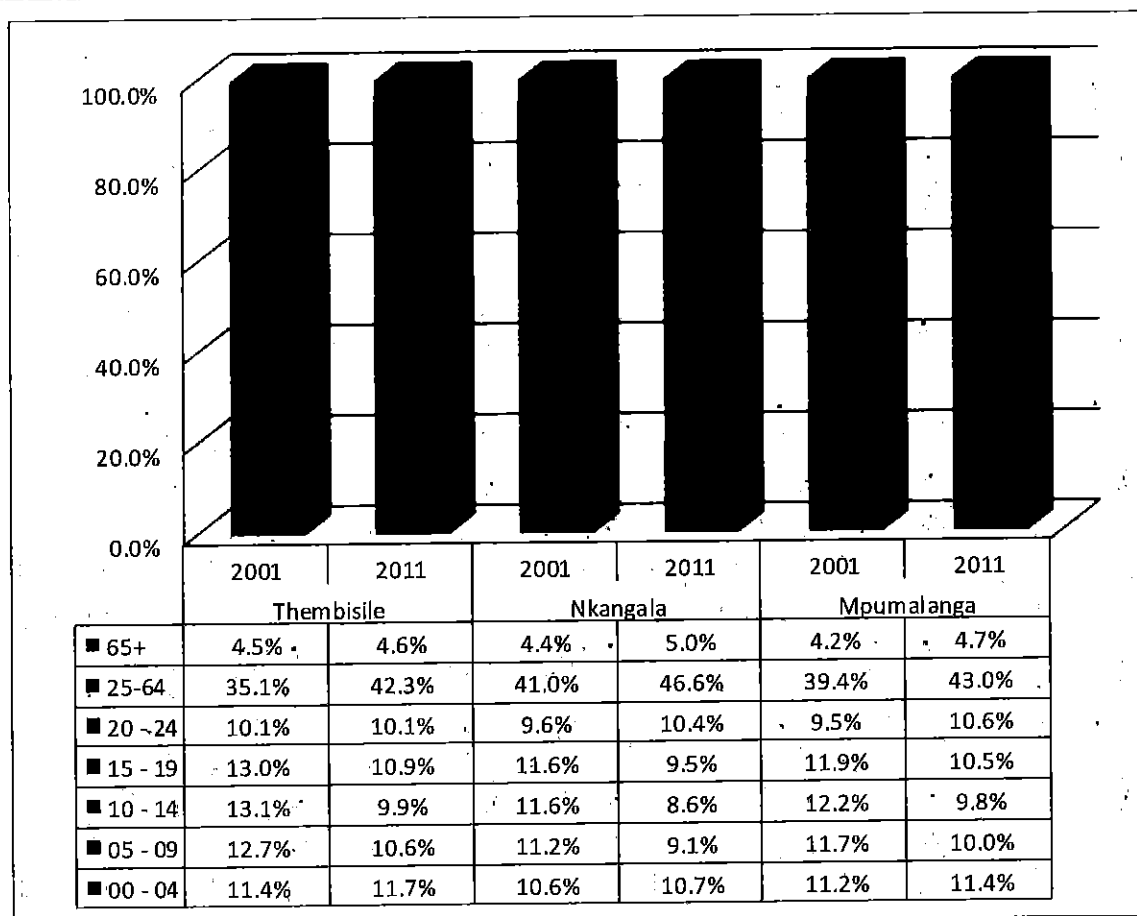
The age structure

The age structure of the municipality shows a youthful population distribution. In 2001, there was strong evidence of declining fertility, which is indicated by a steady decline in the population groups 10-14, 5-9 and 0-4, this is also evident in 2011. It is also evident that the population of the municipality is concentrated in the younger age groups, with the population group between 10 and 19 being the largest. The distribution is similar for both males and females, except for the notable larger female population at all age groups. It is further evident from the graph that there is a noticeable decline in both men and women in the age category 15 – 20 years. The economically active population is standing at 62, 9%, and these are people between the ages of 15 and 64. The municipality also has a dependency ratio of 58, 9% because the rest of the population is either too young or too old to generate income. (See figure 3.2.2c below)

Table 3.2.2.2: Age Structure

Geography	Year	00 - 04	05 - 09	10 - 14	15 - 19	20 - 24	25-64	65+	Total
Thembisile	2001	29611	32806	33817	33671	26242	90929	11775	258851
	2011	36232	32859	30643	33778	31337	131333	14124	310306
Nkangala	2001	108079	114044	118592	118038	98433	418671	44597	1020454
	2011	140505	119150	113132	124098	136115	609710	65419	1308129
Mpumalanga	2001	348681	364704	379895	370283	295409	1231135	132662	3122769
	2011	461559	402772	396348	424278	427541	1737728	189714	4039940

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Socio-Economic Development

Employment and unemployment indicators

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. Of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. The unemployment rate in the municipality is currently standing at 37% with the female population accounting for most of the unemployment status. The loss of jobs and the decline in new job opportunities in neighbouring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate. The SERO further indicates the following about the Municipality:

- Unemployment rate of 37.0% (strict definition) in 2011 amounted 36 139 unemployed as a percentage of the EAP of 97 744 - decreasing trend (estimated 2013 unemployment figure by IHS Global Insight 36.4%).
- Unemployment rate for females 39.9% and males 34.1% - youth unemployment rate of 49.4% in 2011.
- Highest unemployment in Ward 30 (50.1%) & lowest unemployment in Ward 1 (29.0%).
- Employment number 17.3% of Nkangala's employed.
- Employment increased by 27 468 between 2001 & 2011 according to the Census – almost 3 000 new jobs per annum – 4% of provincial job creation target.
- Formal employment 54.3% & informal employment 22.5%.

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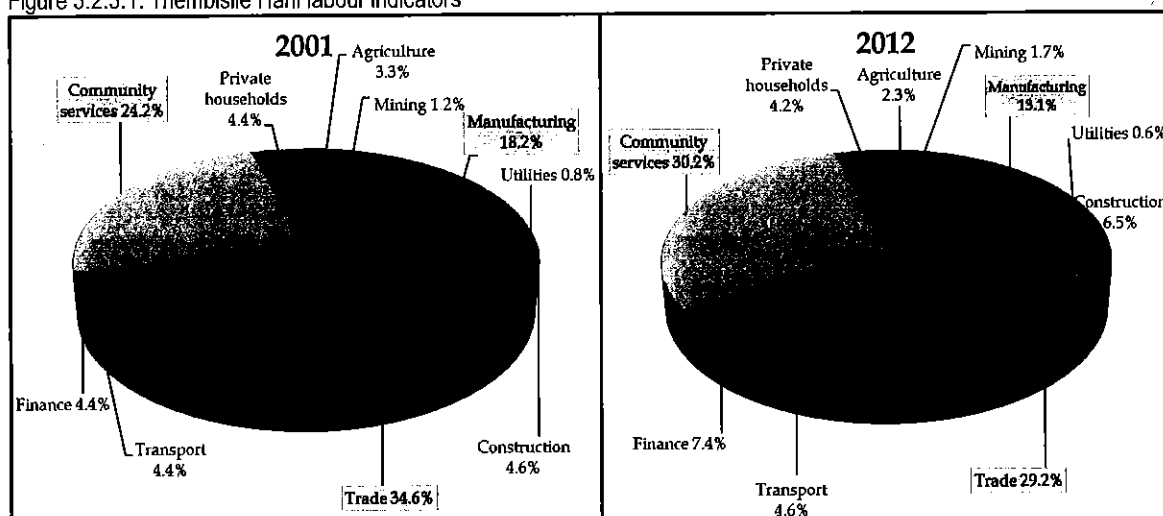
Table 3.2.3.1: Thembisile Hani labour indicators

LABOUR INDICATORS	Census	Census	Share of Nkangala's figure	Ranking: best (1) – worst (18)
	2001	2011	2011	
Working age population	151 714	195 457		
Economically Active Population (EAP)/Labour Force	69 910	97 744		
Number of employed	34 137	61 605	17.3%	
Number of unemployed	35 773	36 139	23.7%	
Unemployment rate (%)	51.2%	37.0%		15

Source: Socio-Economic Report and Outlook for Mpumalanga, 2014

The SERO report further illustrated that the leading employment industries within the municipality are community services at 30.2% and trade at 29.2%. Prevailing trends have also shown a decreasing role/share of manufacturing and trade and increasing role/share of community services & finance as the main employers.

Figure 3.2.3.1: Thembisile Hani labour indicators



Source: Socio-Economic Report and Outlook for Mpumalanga, 2014

Poverty rate

Thembisile's poverty rate is estimated at around 40% or 128 890 poor people and this makes the Municipality the poorest in the district and forth poorest in the entire province, this is however a declining trend. The bottom 40% of households shared 12.2% of the total income in 2013. StatsSA's multidimensional poverty index (SAMPI) in Thembisile Hani has improved from 0.07 in 2001 to 0.02 in 2011.

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Table 3.2.3a Poverty and inequality

INDICATORS	Trend		Latest figure		Better (+) or worse (-) than Nkangala	Better (+) or worse (-) than province	Ranking: best (1) – worst (18)
	2001	2004	2009	2012			
Poverty rate	53.3%	52.8%	47.7%	40.8%	(-) (30.6%)	(-) (36.9%)	15
Number of people in poverty	145 068	145 708	142 877	128 890			15
Poverty gap (R million)	R176	R240	R339	R346			14

Source: Mpumalanga Socio-Economic Outlook Report, Mpumalanga Department of Finance, 2014

Individual Income

Table 3.2.3b: Geography by individual income

		No income	R 1 - R 400	R 401 - R 800	R 801 - R 1 600	R 1 601 - R 3 200	R 3 201 - R 6 400	R 6 401 - R 12 800	R 12 801 - R 25 600	R 25 601 - R 51 200	R 51 201 +	Total	Average
Thembi sile	2001	880	4498	9169	11259	5132	2254	747	210	0	0	34149	R 1 589
	2011	131799	85110	8946	39693	19563	8613	4344	2025	429	225	300747	R 907
Nkangala	2001	4137	22046	40579	49193	41283	24612	12732	5272	0	0	199854	R 2 644
	2011	401493	44643	29014	96955	80664	62900	48168	33747	12323	4826	814733	R 3 182
Mpumalanga	2001	12619	134766	139875	131103	100495	64222	32064	14831			629975	R 2 239
	2011	1243674	159802	103097	310187	211586	150589	122607	84152	30239	12436	2428369	R 2 720

Source: Statistic South Africa, 2011.

Education Indicators

In the Municipality citizens that are 20 years of age and older with no schooling account for 18.0% (31 711) total population of the Municipality (34.4% of Nkangala's district), and this is one of the highest in the province. The total population that are 20 years of age and older with matric & higher qualification account for the 31.6% of the total population and this has shown an improvement but is still however lower than both district and provincial averages (third lowest in the province). The functional literacy rate (15+ with grade 7+) is also improving but is still lower than the district and provincial averages. The Matric pass rate was sitting at 73.0 % in 2013 and the University/degree admission rate was only 18.0% in 2013. Thembisile Hani municipal area has 72 government funded ECD (Early Childhood Development) centres in 2014/15 financial year.

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Table 3.2.3.4: Education Indicators

EDUCATION INDICATORS	Trend	Latest figure	Better (+) or worse (-) than Nkangala	Better (+) or worse (-) than province	Ranking: best (1) – worst (18)
	2001	2011			
Number of people 20+ with no schooling	43 736	31 711			15
Population 20+ with no schooling (%)	33.9%	18.0%	(-) (11.5%)	(-) (14.0%)	13
Population 20+ with matric & higher (%)	19.6%	31.6%	(-) (40.2%)	(-) (38.8%)	16
Functional literacy rate (%)	57.5%	71.8%	(-) (79.0%)	(-) (76.9%)	14

Source: Socio-Economic Report and Outlook for Mpumalanga, 2014

Population groups

Thembisile Hani Local Municipality has a total population of 310 458 people, of whom 99, 2% are black African, and 0, 3% are Indian/Asian. The other population groups make up the remaining 0, 5%. Based on the aforementioned, it is evident that the municipal population is predominantly composed of black Africans.

Percentage Distribution of Thembisile Hani Local Municipality

Group	Percentage
Black African	99,2%
Coloured	0,2%
Indian/Asian	0,3%
White	0,1%
Other	0,2%

Household trends

The number of households in Thembisile Hani Local Municipality have increased by about 13.5%, from 65 394 in 2007 to 75 634 in 2011. The average household size is 4, 1 persons per household and 46, 1% of households are headed by females. Only 16,3% of households have access to piped water inside the dwelling, 72,1% of households have access to piped water inside the yard and 4,6% have no access to piped water. Table 2.2.2 below shows the current household trends in the municipality.

Household Trends (Source S Statistics South Africa, 2011)

Enumeration Type	Figures and Percentages
Number of households	75,634

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Average household size	4,1
Female headed households	46,1%
Formal dwellings	85,6%
Housing owned/paying off	76,1%
Flush toilet connected to sewerage	6,8%
Weekly refuse removal	4,6%
Piped water inside dwelling	16,3%
Electricity for lighting	92,3%

Population Languages: Source: Stats SA

Language	Percentage
Afrikaans	0,4%
English	1,2%
isiNdebele	58,4%
isiXhosa	1%
isiZulu	12,5%
Sepedi	12,6%
Sesotho	4,8%
Setswana	1,9%
Sign Language	0,3%
SiSwati	2,9%
Tshivenda	0,4%
Xitsonga	2,6%
Other	0,9%
Not Applicable	0,1%

Education profile

The attainment of education is a key indicator of a developing society. The level of education of a society influences its welfare through its indirect influence on health, fertility and life expectancy. In Thembisile, of those aged 20 years and older, 18,3% have completed some primary school, 32,4% have some secondary education, 26,2% have completed matric, and 5,2% have some form of higher education, while 18% have no form of schooling. Considering that the labour absorbing market requires at least some level of skilled labour for decent work, the municipality's population is largely unskilled with only 5,2% of the population having some form of higher education and training. This therefore, further exacerbates unemployment rates.

Highest Educational Levels

Group	Percentage
No Schooling	2,6%
Some Primary	44,8%
Completed Primary	6,5%
Some Secondary	33%
Completed Secondary	11,7%
Higher Education	1,3%
Not Applicable	0,1

Employment profile

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. Of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. The

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unemployment rate in the municipality is currently standing at 37% with the female population accounting for most of the unemployment status. The loss of jobs and the decline in new job opportunities in neighbouring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate.

Employment Status	Number
Employed	61605
Unemployed	36139
Discouraged Work Seeker	13477
Not Economically Active	84188

Source: Statistics South Africa, 2011

Income categories

The main labour absorbing markets in the municipality are social services, business services, retail, trade and agriculture. These markets provide the basis for employment and income within the municipality and suggest that the municipality must concentrate on labour intensive programmes and skills development when rendering services. Approximately 13, 8 % of the households within the municipality have no income and more than 50% of the households earn less than R 50 000 per annum.

Household Income

Income	Percentage
None income	13,8%
R1 - R4,800	5,6%
R4,801 - R9,600	9,7%
R9,601 - R19,600	20,3%
R19,601 - R38,200	23,6%
R38,201 - R76,4000	15,2%
R76,401 - R153,800	7,4%
R153,801 - R307,600	2,9%
R307,601 - R614,400	1%
R614,001 - R1,228,800	0,2%
R1,228,801 - R2,457,600	0,1%
R2,457,601+	0,1%

ECONOMIC ANALYSIS

The city of Tshwane and areas such as Bronkhorstspuit and Witbank provide a regional function to areas in Thembisile (e.g. trade services, banking, manufacturing, storage, transport, etc), because of its size and level of sophistication. The economy is unable to generate a significant number of direct employment opportunities for the local communities. The economies of surrounding townships and rural areas comprise mostly of informal activities and largely serve the immediate consumption needs of local people.

The Municipality is further characterised by limited job opportunities and high levels of unemployment and illiteracy. As a result, there are very limited industrial activities and high levels of dependency and poverty. The dependency on neighboring towns and cities to provide job opportunities has necessitated a culture where a significant amount of the population commutes on a daily or regular basis to areas such as Tshwane, Ekurhuleni, Johannesburg and Emalahleni.

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Economic activities within the municipality are dominated by public services and informal trade particularly those found at main intersections in Moloto, Kwamhlanga, Tweefontein, Verena and Kwaggafontein. The Municipality also has potential for mining, agriculture and eco-tourism. The municipal area is largely suitable to agriculture, both for ploughing and stock farming. The indigenous knowledge of communities within the Municipality should also be sustained. These include knowledge and skills in bead work, traditional painting, weaving, and grass work.

The small industrial parks that were developed by the KwaNdebele government are now in disuse. There is a need for the municipality to resuscitate these small industrial parks in order to contribute to sustainable employment within the municipal area.

Employment Status comparison with district and province

Area	Employed	Unemployed	Discouraged Work seekers
Thembisile	61611	36141	13476
Nkangala	355478	152250	42554
Mpumalanga	969771	448126	150844

Economic Sectors and Activities

Agriculture

Apart from the urban settlements highlighted above, the rural parts of the Thembisile Hani Local Municipality are predominantly utilised for agricultural purposes. The agricultural land towards the east of Verena is predominantly utilised by large scale farmers while the agricultural land to the west of Verena in the Thembisile Hani area is utilised by local and emerging farmers. Extensive agriculture, particularly cattle and game farming is the predominant form of farming.

Mining

There are currently limited mining activities occurring in the southern portions of the municipality along the R568 road. A number of external stakeholders have shown interest in developing mining opportunities within the Municipality.

Tourism

The tourism attraction sites in the Municipality include the Zithabiseni Holiday Resort in the Mabusa Nature Reserve (to be restored to its former glory) and the main tourism node: the Kgodwana Village and Loopspruit Winery at Schoongezicht, just east of the R568 between KwaMhlanga and Ekangala in the south.

Trade and local Business

The economic activity around the intersection of routes R568 and R573 in the vicinity of KwaMhlanga represents the highest order activity node in the Municipality. This is probably the most strategic intersection in the entire municipal area, and it is surrounded by a fairly large number of households (formal and informal). The result is a fairly high concentration of economic activity with a variety of shopping facilities (formal and informal), a taxi rank, and community facilities which include, amongst others, the Solomon Mahlangu stadium and the former KwaNdebele government offices.

The second most significant activity node in the Thembisile Hani area is found in Kwaggafontein B at the intersection between route R573 and the link road between Kwaggafontein and Verena where a large shopping centre (Kwagga Plaza) exists. The Thembisile Hani Local Municipality offices are also located in this precinct.

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There are about five other emerging/secondary activity nodes that can be distinguished in the Thembisile Hani area: the first is in the vicinity of Moloto, the second at Enkeldoornoog B, the third one at Vlaklaagte 2, the fourth at Mathys Zyn Loop to the north, and the fifth at Verena around the intersection between routes R25 and R544 in the southern parts of the Thembisile Hani Local Municipality. These are all smaller nodes (second order) that are still in the process of development, and comprise a mixture of formal and informal retail, commercial and service industry activities.

Job Creation Initiatives

The municipality must focus on maximising its contribution to job creation, by ensuring that service delivery and capital projects implementation use labour intensive methods wherever appropriate. The Municipality furthermore supports job creation initiatives through the Community Works Programme and the EPWP programmes.

SOCIAL ANALYSIS

Integrated and Sustainable Human Settlements and Housing

The lack of housing has been highlighted as one of the key challenges facing communities during many community outreach meetings. A housing survey conducted in 2009 indicated a huge backlog in housing delivery. Many people within the municipality live in informal houses (mud houses and shacks) which are either too old to be inhabited or a structurally weak and are thus vulnerable to being destroyed by bad weather (storm/rain during the summer). The housing survey revealed that there was a housing backlog of about 9764 units, and there are currently no recent statics to gauge whether or not this backlog has increased or subsided.

The unavailability of an Integrated Human Settlements plan and the retention of land for integrated human settlements have over time resulted in the eruption of informal settlements in almost all the municipal areas. This is exacerbated by the allocation of land by some traditional authorities without having considered the necessary impact.

The Municipality has also participated in housing delivery programmes with National and Provincial Departments of Human Settlements over the years. The programs that were used to fund some of the housing development projects in the municipality include:

Projects link programme (Greenfields programme)
Peoples Housing Process
Community Based Rural Subsidy Programme
Disaster/Emergency Programme
Community Based Individual Subsidy

Health

Thembisile is served with health care facilities such as clinics and visiting points. The following health facilities are provided within the Municipality:

Facility Name	Location	Number
Kwamhlanga Hospital	Kwamhlanga	1
Community Health Center (24 Hour Service)	Buhlebesizwe / Vlaklaagte 2, Kwaggafontein, Moloto, Verena, Kwamhlanga and Thembaletu	6
Clinics (8 Hour Service)	Empilweni, Gemsbokspruit / Mzimuhle, Goederede, Vlaklaagte 1, Kameelpoortnek, Tweefontein C, Tweefontein D, Tweefontein A, Tweefontein M, Vriesgewacht,, Tweefontein H, Boekenhouthoek/ Zithabiseni and Kwagga A, Tweefontein G clinic	15

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Mobile Clinics	Verena CHC Mobile, Thembaletu CHC Mobile, Kwaggafontein CHC Mobile and Moloto CHC Mobile Table: 37 time table for mobile clinics	4
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Both primary and secondary health care facilities are problematic in certain areas due to limited resources, which make it difficult to ensure that all the communities are provided with the minimum acceptable levels of health services. Most of the clinics do not provide a 24-hour service due to lack of staff and resources, but the municipality is fairly well served with health facilities.

Sports, Art and Culture

Thembaletu Hani Local Municipality has two stadiums namely, Solomon Mahlangu Stadium and the Kwaggafontein Stadium, located in Kwamhlanga and Kwaggafontein respectively. The Solomon Mahlangu Stadium has an array of facilities to support different sporting codes including Netball, Tennis, Basketball and Boxing. In order to fortify the potential of the sporting hub all sporting facilities in the vicinity of the stadium should be upgraded, maintained and integrated to the existing hub. The Regional Sport and Recreation Master Plan conducted for the Nkangala District in 2003 provides an assessment of the type of facilities currently in the municipal area (e.g. soccer, netball, athletics etc.), together with their location and condition. (See Municipal SDF for further detail). The two libraries in the Municipality need to be maintained and furnished with books in order to encourage the community to read and write. The mobile libraries in Verena and Boekenhouhoek are also not function because of the lack of personnel to administer their functioning.

Some of the challenges relating to Sport, Arts and Culture include:

- Lack of a funding model for the naming, renaming and signage of geographical features, streets, heritage sites and settlements;
- Heritage sites and tourist attraction sites in the municipality are not formalised and promoted;
- Lack of access to sporting facilities by the local community;
- Sport committees at ward level exist but are dysfunctional;
- There is a need for community gymnasium to encourage the wellness of community;

Telecommunication and Postal Services

There are four post offices within the Municipality. These are located at Kwaggafontein, Verena, KwaMhlanga and Somarobogo. There were 24 lobby post boxes serving the community, two were removed from Verena and one from Somarobogo by the South African Post Office. These were removed because of the ineffectiveness of the service and were consequently replaced by street delivery service. The street delivery system might be effective but might be hindered by the lack of street names and proper house numbering. The Municipality and the Post Office must develop the mechanism of ensuring that farm communities have access to this service. On average the Municipality is well serviced with telecommunication services including cellphone networks. Approximately 68,2% of the households reported that they had access to telephone facilities at home or nearby, while 27,8% had access to a cell phone only. Only 1,4% of the population had no access to any form of telecommunication.

The following problems have been raised by the community:

The delivery of letters is delayed due to contradicting stand numbers.

Public Transport

Most of the residence of the Municipality work in Gauteng and commute to Tshwane and the surrounding areas on a daily basis. Buses and taxis are used as a staple mode of transport to work. This makes the R573 (Moloto Road) very busy during peak hours and poses a higher risk of motor car accidents. Transport infrastructure in the form of bus/taxi terminals are also

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not adequately provided to cater for the business. Existing infrastructure is dilapidated and needs to be restored or upgraded. The public transport traffic volumes put considerable strain on the road infrastructure.

Moloto Rail Corridor Development Initiative

The Moloto Rail Corridor Development Initiative was launched at national and provincial government level and enjoys the full support of the Nkangala District Municipality and local municipalities in the District. The main focus of the initiative is to replace the bus commuter system along the Moloto road with a rail commuter system. The objective is to provide safer, faster and more efficient rail transport, while buses and taxis will be used as part of a feeder system to the railway stations along the Moloto Rail Corridor.

The railway line and stations will form the basis for the nodal system, which will be used as a tool to promote the development of retail and community facilities at stations. Stations will be developed in accordance with the concept of Transit Orientated Development, which promotes high density, mixed land use within walking distance from stations. These TODs will create the critical mass required to stimulate viable economic activity. Through careful planning, a range of community services can be provided along the railway line, ensuring that the community has access to a full range of community services through use of the railway system.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The municipality provided communities with portable water and sanitation. The water systems are operated and maintained according to the Blue water requirements. As a result Blue Drop Thembisile Hani Local Municipality received with an average score of 79.44%. The municipality is committed to achieve Green Drop status in future.

The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, health care risk waste management. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the municipality. Waste collection from residential premises is carried out on fortnight basis. The growing municipal population is exacerbating the demand on resources and services, and increasing the generation of waste to meet many of these demands.

The municipality has recorded the below amount of services and the receipt of the water quality

- Provided 81% households with access to basic water
- Provided 25% of households with access to Ventilated Improved Pit (VIP) toilets
- Provided 90% of households with access to basic refuse removal
- Provided 4% of households with access to septic tank (sanitation)
- Provided 4% of households with access to basic sanitation (Water borne system)
- Provided 81% households with access to free basic water(6 kl)
- Received a 79.44% Blue Drop for drinking water quality
- Received an 25.68% Green Drop status for effluent water quality

CHALLENGES

- The provision of free basic electricity in Thembisile Hani Local Municipality where Eskom is the supplier.
- No proper indigent register
- Community of Thembisile Hani Local municipality requires water borne sanitation system and not the VIP toilets anymore
- Lack of own water source/need for purification plant
- Lack of Water Storage in Kwamhlanga and Bundu

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1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview - 2015/2016			
			R
Details	Original Budget '000	Adjustment Budget	Actual
Income			
Grants	429 530	428 430	428 430
Other	81 054	81 054	193 115
Sub Total	510 584	509 484	621 545
Less Expenditure	510 584	510 584	639 153
Net Total*	0	1 100	(17 608)
* Note: surplus/(- deficit)	Note: operational and capital included on the expenditure		T1.4.2
2015/2016 Operating Ratios (adjusted budget)			
Detail	%		
Employee Cost	21%		
Repairs & Maintenance	3.1%		
Finance Charges & Depreciation	24.5%		
T1.4.3			

LIQUIDITY RATIO

Liquidity ratio for 2014/2015 was 1.0 and for 2015/2016 is 1.7

COMMENT ON OPERATING RATIOS

Employee Costs is within the acceptable norm of approximately 21% to total operating cost. Repairs and Maintenance constitute 3.1%. Although the percentage is below the norm, there are no major repair and maintenance backlogs. Overall are the municipal assets in good health. Finance Charges and Depreciation is 24.5% to total operating cost. This medium percentage informs that the municipality is in a position to take up additional external funding.

Total Capital expenditure			
Detail	2013/2014	2014/2015	2015/2016
Original Budget	116 206 820	111 451 000	119 139 000
Adjusted Budget	118 145 717	111 340 503	125 072 054
Actual Expenditure	84 537 235	75,392,503	125 072 054
%	72	68	100

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1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Thembisile Hani Local Municipality has an organizational structure which is aligned to the IDP and is reviewed annually to ensure operational effectiveness.

The organogram has the following Departments:

- Department: Municipal Manager's Office
- Department: Corporative Services
- Department: Budget and Treasury Office
- Department: Technical Services
- Department: Social Development Services

The Municipal Manager and all managers have signed Employment Contracts and Annual Performance Agreements

The percentage of vacant posts on the municipality's organogram is at 3.4 % by the end of the financial year.

The major priority for the municipality in terms of organisational development relates to organisational reengineering wherein the municipality has contracted a service provider on a multiyear agreement to undertake this process. The service provider is expected to assist the municipality in developing relevant job descriptions for each employee, assisting the municipality in conducting the job evaluation for the purpose of the proper grading of the municipality and embedding and cascading performance management system to all levels. The second priority in the continuous capacity building of municipal employees in terms of the municipal finance under the MFIP programme as well as other capacity building initiatives for other employees. The municipality's record management unit plays an important role in the affairs of the municipality in line with the Archives Act of South Africa Act No. 43 of 1996. Another development for the municipality was the use and adoption of GRAP standards by the finance department to guide on the accounting standards and the adoption of MSCOA that the municipality is expected to implement with effect from 01 July 2017.

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1.6. 2015/2016 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2015/2016

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditing.

For the financial year (2015/2016) Thembisile Hani Local Municipality received a qualified opinion.

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget / IDP implementation period July	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Performance Report for previous financial year	
4	Submits draft Annual Report including Annual Financial Statements and Performance Report to Auditor General	August
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6	Auditor General audits Annual Report including Annual Financial Statements and Performance data	September - October
7	Municipalities receive and start to address the Auditor General's findings	
8	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	November
9	Receive management letter and provide final comments on findings	
10	Auditor-General submit audit opinion	January
11	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12	Audited Annual Report is made public and representation is invited	February
13	Oversight Committee assesses Annual Report	
14	Council adopts Oversight Report	March
15	Council table next financial year Budget / IDP and invite public representation	
16	Oversight Report is made public	April
17	Oversight Report is submitted to relevant national & provincial stakeholders and legislature	
18	Council approve next financial year Budget / IDP	May

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19	Make public approved Budget and IDP	June
20	Finalize SDBIP and Performance Agreements for next financial year	
21	Make public SDBIP and Performance Agreements	July

COMMENT ON THE ANNUAL REPORT PROCESS

It is necessary that the municipality derives maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The Annual Report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that Municipal Manager Study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited Annual Report in August of each year, which is consistent with the MFMA.

One of the advantages of compiling an unaudited Annual Report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An audited Annual Report submitted in August will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

The Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year (MFMA Section 127). In order to enhance oversight functions of the Council, this must be interpreted as an outer deadline; hence the municipality must submit the Annual Report as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective management of performance will also result from this change.

The Annual Report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The Annual Report content will assist municipal councillors, residents, oversight institutions and other users of Annual Reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will also assist with the annual audit. Another key aspect of the reform in combining the relevant information into the New Annual Report Format will assist the municipality to streamline operations and processes through combined committees, reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financial and non-financial related matters.

Chapter 2

CHAPTER 2 – GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

The political and administrative components of Council maintain a sound working relationship by ensuring respect of procedures and protocols. Communities as an Interest Group in Municipal Affairs participates through Public Participation Mechanisms and processes in the Decision Making Systems of Council.

This includes interaction with the stakeholders in shaping the performance of the municipality in order to enhance a healthy relationship and minimizing conflict.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of municipal outreach's, IDP and budget consultations. This ensures that the community participates in identifying needs and make inputs on the performance of the municipality. This process ensures healthy relations with the community and minimizes conflict. Administrative governance ensures transparent administration, regular feedback to the community, compliance to the required rules, processes and laws by which Council is operated, regulated and controlled.

The political structure of Thembisile Hani Local Municipality comprises of the Executive Mayoral System that consists of:

- Executive Mayor
- Hon. Speaker
- Chief Whip
- Mayoral Committee
- Councillors

The Municipal Manager is the administrative head and acts as a link between the politicians and the administration. The Municipal Manager is supported by the following section 56 Managers appointed in terms of the Municipal Systems Act:

- Manager Corporate Services (MCS)
- Manager Technical Services (MTS)
- Manager Social Development Services (MSDS)
- Chief Financial Officer (CFO)

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The Executive Mayor is the Political Head of the Municipality. The position of Speaker is a full-time post, and takes responsibility for the running of council meetings. The Speaker is the chairperson of the council. The Office of the Chief-Whip is established to create synergy and to maintain discipline among councillors from various Political Parties. The Role of the Chief-Whip of the council covers both the political and administrative domains of council with emphasis on the political aspect. The Chief Whip deals with the well-being and attendance of all councillors.

The Municipal Council consists of 32 Ward Councillors and 32 PR Councillors. The Council meetings are governed according to the approved rules of order. Council has established the Mayoral Committee system with Section 79 and 80 Committees who makes recommendations to Council.

Section 79 committees of the Council report directly to council, in accordance with the terms of reference of such committees approved by council. This committee provide general oversight and monitor the activities in the municipality over both the administrative and executive arms of the municipality. This section 79 Committees are chaired by independent councillors other than members of the mayoral committee.

Section 80 committees assist and report to the executive mayor. The Executive Mayor has appointed the mayoral committee members as chairpersons for each of the committees.

The Municipality has its own Audit Committee. The Audit Committee meets a minimum of four times per year and is an independent advisory body that advises council, political office-bearers, the accounting officer and the management of the municipality on matters related to internal control, internal audits, risk management accounting policies and adequacy reliability and accuracy of financial reporting and information, performance management, effective governance compliance with the MFMA, the Division of Revenue act and provide comments to MPAC and council on the Annual Report.

MPAC is an oversight committee which comprised of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance in the municipality. MPAC also make comments and recommendations on the Annual Report separately to Council.

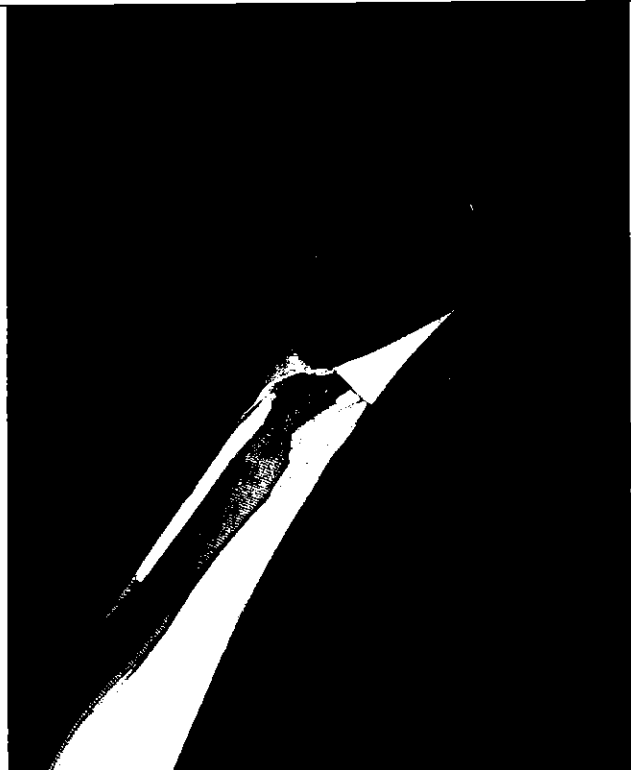
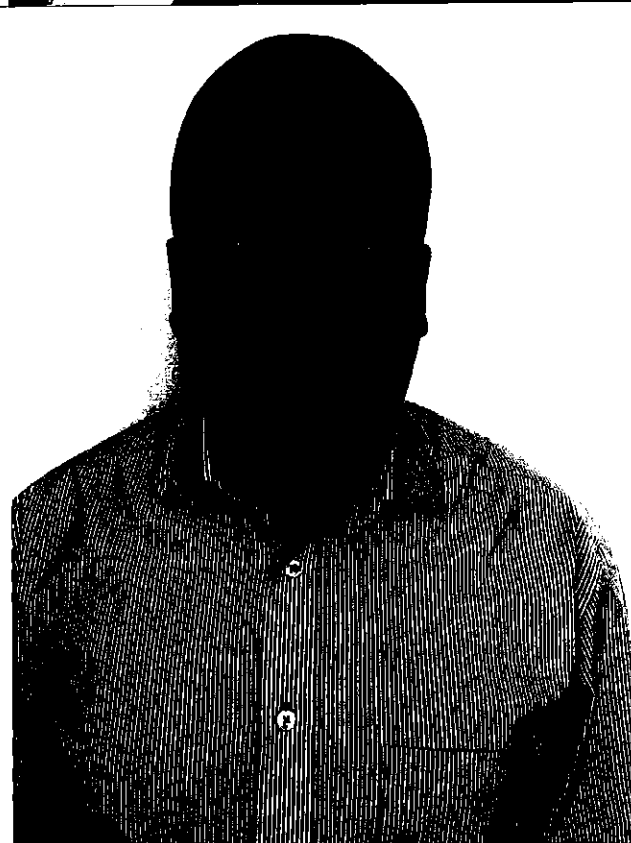


EXECUTIVE MAYOR

Cllr. N.S MTWSENI (Political Head)

The Executive Mayor identifies the needs of the municipality, review and evaluate those needs, in order of priority, recommend to the municipal council strategies, programme and services to address priority needs through the Integrated Development Plan, and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans, recommends and determine the best way to deliver strategies, programmes and services to the maximum benefit of the Community. The Executive Mayor also performs a ceremonial role.

Chapter 2

	<p>SPEAKER</p> <p>Cllr. PP Moseri (Chair Person of Council)</p> <p>Presides at meetings of the Council. Maintain order during meetings and ensure that meetings are conducted in accordance with the rules of order of the Council.</p>
	<p>CHIEF WHIP</p> <p>Cllr. J L Mtshweni</p> <p>Manage Councillors and maintain discipline in Council</p> <p>The Chief Whip ensures that Councillors are accountable to the communities, that code of conduct is respected and adhered to by all Councillors. The Chief Whip ensures discipline during Council and Committee Meetings. He facilitates political debates, workshop for all Councillors</p>

Chapter 2

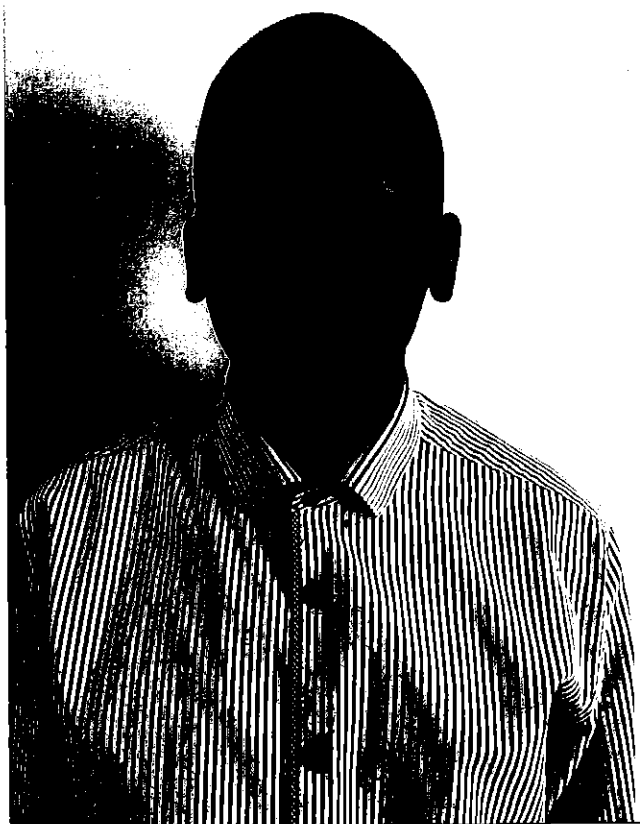
MEMBERS OF MAYORAL EXECUTIVE COMMITTEE:

NO PHOTO

Cllr.T.L. Mabena

MMC Technical Services

Provisioning of infrastructure development, maintenance and service delivery to ensure sustainable services to all communities.

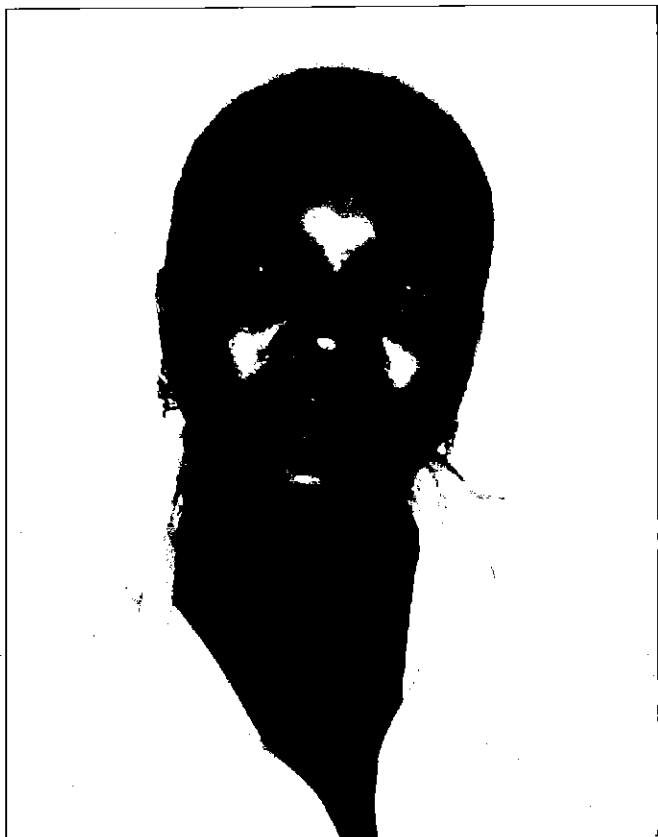



Cllr. HM Kabini

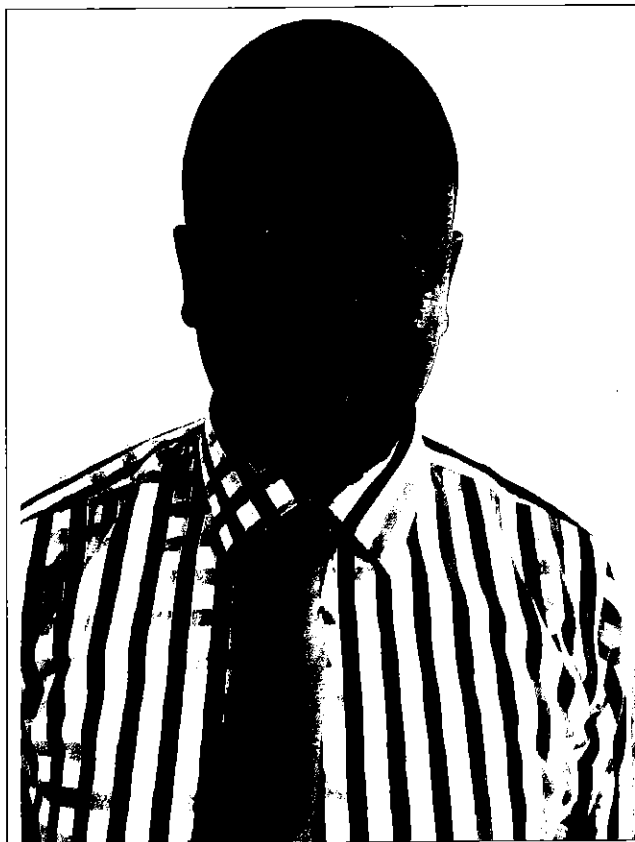
MMC finance Services

Provide and manage financial services to ensure financial viability, compliance and reporting.

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	<p>Cllr. LM Mboweni</p> <p>MMC Local Economic Development</p> <p>Ensures that the LED Unit's mandate of coordinating LED related activities is realized and the push towards the eradication of poverty and job creation fulfilled</p>
	<p>Cllr. MQ Mnguni</p> <p>MMC Social Development Services</p> <p>Render integrated community services to all its communities</p>

Chapter 2



Cllr LX Mtshweni
MMC Corporate Services and Acting MMC
Technical Services

Provides corporate services to ensure efficient support of organisational processes

COUNCILLORS

Councillors provide a vital link between communities they serve and the municipality. They are responsible for representing the needs and interests of the people they represent, regardless of whether they voted for them. Although councillors are not usually full time professionals, they are bound by a code of conduct. The Councillors serve for five years.

Thembisile Hani Local Municipality comprises 32 Ward Councillors and 32 PR Councillors. See **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

A Ward Councillor has to balance the expectations of his/her ward and that of their political party. The Ward Councillor is the chairperson of the ward committee, responsible for convening the constituency meeting to elect ward committee members, calling ward committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the ward, resolving disputes and making referrals of unresolved disputes to the municipality, ensuring that the ward committee does what the municipality expects about reporting procedures.

See **Appendix B** which sets out committees and committee purposes.

The Ward Councillors should be fully involved in all community activities that the ward committee is engaged with and communicate the activities and meetings schedules to the PR Councillors. PR means proportional representation, where voters vote for a political party not an individual candidate within a party. The ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it got. The party decides which members fill those councillor places. A PR Councillor is allocated to a ward and provides support to the Ward Councillor in things that relate to the ward or the ward committee.

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A PR Councillor handles queries and complaints in consultation with the Ward Councillor, assist with resolving of disputes and making referrals, help with implementation of projects, support the Ward Councillor without replacing the Ward Councillor, attend ward committee meetings, constituency meetings and special meetings

POLITICAL DECISION-MAKING

The legal framework empowers the Executive Mayor to provide political leadership for policy and outcomes, and holds the municipal manager and other senior managers responsible for implementation and outputs.

The Executive Mayor presides at meetings of the mayoral committee and performs the duties, including any ceremonial functions, and exercises the powers delegated by the municipal council except those powers that are reserved by the Constitution of the Republic of South Africa and other applicable regulations.

The Executive Mayor appoints members of the Mayor Committee to assist with carrying duties in terms of section 80 of the Municipal System Act. The Executive Mayor reports to council on the execution of his delegated powers.

Council is chaired by the Speaker and the Executive Mayor chairs the Mayoral Committee meetings and executive duties through council resolutions, delegations and committees

Council has also formed section 79 committees which meet monthly except the Audit committee and MPAC, which normally meet quarterly. This section 79 Committees are chaired by an independent councillors other than members of the Mayoral committee. Their main function is to monitor the activities of the members of the Mayoral Committee.

The administration is charged with the responsibility to implement council resolutions and to submit monthly progress reports to the relevant MMC's who in turn report to the section 79 council committees. All council resolutions are monitored and implemented.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE


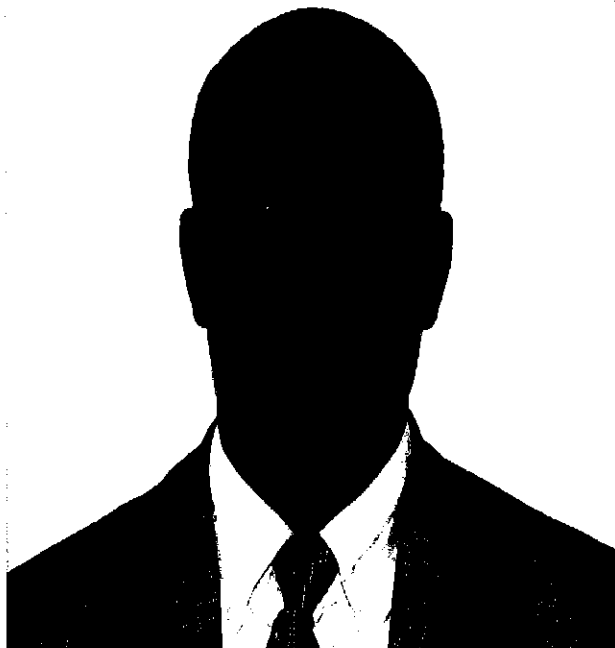
MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The administration is led by the Municipal Manager (MM), who is appointed in terms of section 54A of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which includes a contract of employment, an annual performance agreement with performance objectives and targets and procedures for evaluating performance. The Municipal Manager is the Accounting Officer of the municipality.

Together with other Managers the MM leads the administration by amongst others implementing council resolutions, advising council and its committees, lead the IDP and Budget planning and implementation processes. There are functions that are delegated by council to the Municipal Manager, who in turn sub-delegates certain functions to the CFO and other Managers. Under their leadership, municipal officials attend community consultative meetings, report in management meetings on plans and progress in addressing community issues.

Chapter 2

STRUCTURAL CHANGES

Top Administrative Structure	Functions
<p data-bbox="225 412 459 465">MUNICIPAL MANAGER MR ON NKOSI</p> 	<p data-bbox="858 412 1410 524">As head of administration and Accounting Officer of the municipality the Municipal Manager is subject to the policy directions of the municipal Council, responsible and</p> <p data-bbox="858 530 1410 822">accountable for duties and responsibilities outlined under Section 55 of the Municipal Systems Act and any other relevant duties as may be delegated from time to time to the Municipal Manager by the Executive Mayor and Council. The Municipal Manager is also responsible for duties outlined under sections 60 to 75 of the Municipal Finance Management Act. Implementing a monitoring and evaluation methodology in line with legislative requirements. Provide leadership and directive in operating of the performance</p> <p data-bbox="858 828 1410 911">management system and monitoring and evaluation, development of the SDBIP, quarterly performance reports and annual report</p> <p data-bbox="858 918 1410 1030">UNITS: IDP, Performance management System, youth development, Local Economic Development, Public Participation, Risk Management, Internal Audit and Communication</p>
<p data-bbox="225 1189 592 1243">MANAGER CORPORATE SERVICES MR PS MABUZA</p> 	<p data-bbox="858 1189 1410 1301">Establishing and maintaining structures that will, within the parameters of legality and good governance provide the administration that will be appropriately relevant, timeous</p> <p data-bbox="858 1308 1410 1391">and effective execution of tasks and be transparent as well as provide conducive environment to stimulate public participation within the co-operative governance</p> <p data-bbox="858 1426 1410 1509">UNITS: Human Resources Management and Development , , ICT and Administrative Services, , Legal and Council Secretarial Services and Fleet Management</p>

Chapter 2

ACTING CHIEF FINANCIAL OFFICER
MS. L SEHLAKO



Ensure effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, supply chain management, credit control management, investments and banking, treasury management.

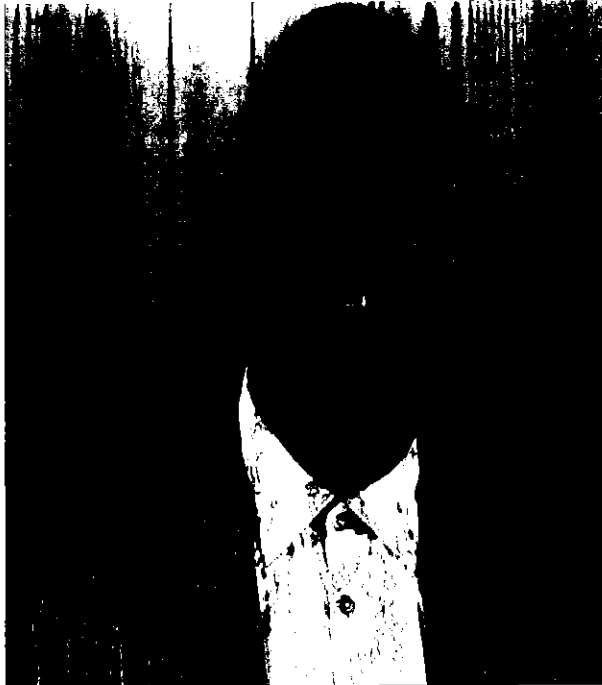
MANAGER TECHNICAL
MS RF MORUDU



Providing water, roads, storm-water and sanitation through a well-established and maintained infrastructure that will stimulate growth resulting in a broader income base and will encourage taxpayers to sustain payments through a well-established and maintained infrastructure.

Chapter 2

MANAGER SOCIAL DEVELOPMENT SERVICES MR NTG KUBHEKA



Developing and maintenance of recreational facilities by establishing a friendly, green, clean, neat and beautiful city, developing and maintaining the cultural heritage of and to render a sustainable cleansing service to all residence of the Thembisile Hani Local Municipality. Establishing a safe and crime free environment where all people can develop to their full potential by promoting safer communities through prevention, preparedness, response, recovery, education and enforcement

All the above mentioned positions are section 56 positions.

The third tier of posts / positions can be seen in Appendix C.

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Thembisile Hani Local Municipality, relates to the other spheres of Government and Organised Local Government Bodies through the Intergovernmental Policy Framework, communities as an interest group in municipal affairs, participates through public participation mechanisms and processes in the decision making system of council.

2.3 INTERGOVERNMENTAL RELATIONS

The Constitution (1996) states that *'government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated'* (section 40(1)). The *'distinctive'* element refers to the autonomy enjoyed by the spheres; that is, the degree to which each sphere is the final decision-maker on a particular matter that falls within its area of competence.

The creation by the Constitution of this decentralised governance system, which comprised the three distinct but inter-related spheres of government, also gave rise to the need for a systematic system of IGR to give effect to the principles of cooperative government.

To realise these principles, the IGRF Act was promulgated on 15 August 2005. The Act provides for an institutional framework for the three spheres of government to facilitate coherent government, effective provision of service, monitoring implementation of policy and legislation, and realization of developmental goals of government as a whole.

In spelling out the principles of cooperative government and IGR, the Constitution binds all spheres of government and organs of state in each sphere of government to three basic principles:

- (i) **A common loyalty to the Republic as a whole.** This means that all spheres are committed to secure the well-being of the people of the Republic and, to that end, must provide effective, transparent, accountable and coherent government for the Republic as a whole. This is the object of cooperative government.
- (ii) **The distinctiveness of the spheres should be respected.** A sphere must remain within its constitutional mandate, and when exercising those powers, must not do so in a manner that encroaches on the geographical, functional or institutional integrity of another sphere, except where specifically directed otherwise.
- (iii) **The spheres of government must take concrete steps to realise cooperative government by –**
 - a) Fostering friendly relations;
 - b) Assisting and supporting one another;
 - c) Informing one another of, and consulting one another on, matters of common interest;
 - d) Coordinating their actions and legislation with one another;
 - e) Adhering to agreed procedures; and Avoiding legal proceedings against one another.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Executive Mayor and the Municipal Manager represent and participate in the Premiers Coordinating Committee, where issues affecting the Province and the Municipalities are discussed. The Speaker and Officials in the Office of the Speaker attends and participate in the Provincial Speakers Forum, Provincial Ward Committee Forum and the Provincial Anti-Corruption Forum.

There are Expanded Public Works Programme projects in progress for cleaning the environment that will be registered as projects at the Department of Public Works. Furthermore the Department of Environmental Affairs appointed 270 EPWPs and Department of Corporate Governance and Traditional Affairs appointed 60 EPWPs for clearing illegal dumping sites.

Chapter 2

DISTRICT INTERGOVERNMENTAL STRUCTURES

Elected Councillors and Officials represent the Thembisile Hani Local Municipality in neighbouring municipalities such as Nkangala District Municipality, where issues of mutual interest such as the IDP and Budget are discussed and implemented.

Nkangala District Municipality provide support to Thembisile Hani Local Municipality Internal Audit by appointing service provider to assist the Internal Audit Unit implement six (4) project from its plan on the following:

- Financial Management Audit
- Asset Management Audit
- Project Management Unit
- Environmental Management Audit

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The introduction of Public Participation Office has become a catalyst in ensuring that Izimbizo and Outreach meetings are meaningful to communities. This office has been strategically introduced to ensure that Izimbizo's and Outreaches constitute a communication approach that will underpin participatory democracy. The office is also central to governance as it brings government closer to the people. It is further to ensure that Izimbizo's and Outreaches remain a unique platform for communities to raise issues, share views and build strategic partnerships between the Municipality and its constituencies.

Thembisile Hani Local Municipality has established Ward Committees as a mechanism for public accountability and public participation. The Ward Committees assist Ward councillors in the execution of their duties, which includes the handling of complaints and feedback to communities. Provincial Government has also provided Community Development Workers to the Municipality, to assist with the dissemination of information and the mobilisation of communities in government programmes.

Ward Councillors convene community meetings on a monthly basis to discuss matters affecting the community and give feedback on matters reported on a monthly basis. The Executive Mayor undertakes a Mayoral Outreach programme which provides a platform for further interaction and engagement with the communities on regular intervals.

2.4 PUBLIC MEETINGS

The Executive Mayor led consultative meetings in all wards during the months of September and October 2015 as part of the strategy for ensuring adequate public participation in the preparation for the compilation of the IDP and budget review for the 2015/2016 financial year. The community consultative meetings were followed by the IDP/Budget Indaba during May 2014. The meeting was attended by all councillors, ward committee members, community development workers, political organisations, tribal authorities, sector departments and other interested community representatives.

The Municipal Systems Act provides for municipalities to establish structured mechanisms for public participation in order to ensure community participation in all the affairs of the Municipality. The Act stipulates that the Municipality must develop and adopt a Community Communication Strategy/Plan. The strategy should serve as the guiding tool on how the community is engaged to give their inputs and suggestions on services, projects and programmes offered by the Municipality. In order to comply with the Municipal Systems Act, Thembisile Hani Municipality will have to develop a revised Public Participation Strategy in the coming financial year.

The municipality like any local government has a three legged structure, which is integrated and interdependent. The legs of the Municipality are the Council, administration and the community. The cohesion of these parts underpins a successful developmental local government.

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The Municipality needs a formal consultation, participation and communication strategy, special attention with regard to the development of the strategy are the following:

- Continuation the Mayoral Outreach Programme, which affords local leaders the opportunity to interact with communities on issues of service delivery.
- Continued engagement of sector departments and utilities in the various processes and forums for Integrated Development Planning (IDP).
- Utilisation of the various mechanisms to communicate, such as local newspapers, local radio stations, flyers, ward councillors, community development workers, account statements and loud hailing.
- Ongoing negotiations with provincial departments that no project will be implemented in the municipal area of jurisdiction prior to consultation with the council.
- Ongoing bi or multi-lateral processes around a number of developmental challenges and initiatives such as the youth agriculture and the Moloto rail corridor.

The Local Government Municipal Systems states that "A Municipality through appropriate mechanisms, processes and procedures established in terms of chapter 4, must involve the local community in the development, implementation and review of the Municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicator and performance targets for the Municipality". Thus the Municipality has held its IDP Indaba in May 2015 to ensure that communities are afforded the opportunity to set the performance target for the Municipality. In attendance among others were:-

- Councillors
- Community Development Workers
- Ward Committees
- Traditional Leadership
- Progressive Youth Structures
- Community Based Care Structures
- Political Structures and;
- Government Department
- Ordinary members of community

ASSESSMENT OF COMMUNITY NEEDS

The Municipality has collected the following community needs during the 2014/2015 financial year to inform the 2015/2016 IDP:

Ward	Issues
Traditional Leaders	<p>Enquiring and complaining about new areas that are recently being developed and having project starting in new other areas</p> <p>Complaining about land invasion and requesting the municipality to interfere</p> <p>Requesting water and electricity at Vezubuhle (the whole of Vezubuhle)</p> <p>Complaining about ward 7 cemeteries not being fenced</p> <p>Requesting a satellite office for service fee payment at Luthuli</p> <p>Requesting a storm water control</p> <p>Complaining about water meters. Some residence don't have them at Tweefontein K</p> <p>Requesting and complaining about road to cemeteries to be re-gravelled.</p> <p>Complaining about road re-gravelling</p> <p>Requesting re-gravelling of roads at Luthuli</p> <p>Requesting recreational facilities at Luthuli</p> <p>Requesting a community hall for pensioners</p> <p>Requesting a researcher to research in the community and report back to the traditional leaders</p> <p>Requesting high mast lights at the cemeteries</p> <p>Complaining and requesting road gravelling at mountain view</p>
Ward 1	<ul style="list-style-type: none"> • Requesting a satellite office at ward 1 • Requesting a high mast light at main road block 7 centre Babazon

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	<ul style="list-style-type: none"> • <i>Requesting water supply and street lights at Babazon</i> • <i>Complaining and requesting water and a community hall</i> • Complaining about high mast lights being few at Moloto north • Requesting tap water in the ward • Complaining about not having water at block D • Complaining about the waste collecting truck not collecting along every street • Requesting a satellite office where the community will go and pay their services • Requesting a school at Moloto north • Complaining about incomplete projects around Moloto north • Requesting electricity, the whole block of section D.D • Requesting bus roads at BLOCK D.D • Complaining about their RDP houses not being issued in a formal manner
Ward 2	<ul style="list-style-type: none"> • <i>Requesting electricity supply at Moloto north</i> • Requesting a tap water • Complaining about not having water at block D • Complaining about septic tanks , some of them being broken, some leaking • Complaining about the waste collecting truck not collecting every street • Requesting a satellite office where the community will go and pay their services • Complaining about incomplete projects around Moloto north • Requesting electricity, the whole block of section D.D • Complaining about road bus. They are incomplete • Requesting bus roads at BLOCK D.D • Complaining about their RDP houses not being issued to them in a formal way. • Requesting a school
Ward 3	<ul style="list-style-type: none"> • <i>Requesting water , high mast lights inside where he is residing</i> • <i>Requesting roads to be re-gravelled</i> • <i>Requesting a satellite office</i> • <i>Requesting tarring of internal roads at block 5</i> • <i>Complaining and requesting re-gravelling of internal roads at block 5 Moloto</i> • Complaining about payment of flat rate. • Requesting water meters and roads at Moloto • Requesting a RDP houses • Requesting street lights at block 5 ward 3 • Requesting water (the whole of block 5 near the garage at ward 3 Moloto south) • Requesting a community hall and a library • Requesting yellow bins • Requesting a RDP house • Requesting a tar road at Moloto block 5 • Complaining about water tank not delivering to every house • Requesting roads and a primary school at Moloto south • Requesting that all the valves be monitored and maintained • Requesting high mast lights at block 5 • Requesting a community hall at Moloto • Requesting a road to cemeteries of Moloto
Ward 4	<ul style="list-style-type: none"> • <i>Requesting water supply at Leratong</i> • <i>Complaining about un-improvement at Leratong</i> • <i>Requesting a bridge between luthuli and ward 4</i> • Requesting a RDP house • Requesting bus routes at Zakheni • Requesting a bridge at Zakheni • Requesting a primary school at Zakheni ext • Complaining about holding a meeting during a week

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	<ul style="list-style-type: none"> • Requesting the main road of Zakheni to be completed • Requesting that projects done around Zakheni be monitored. • Requesting a RDP house • Complaining about a hole that was left after a bridge was built at Zakheni • Requesting water • Complaining about Zakheni residence misusing water
Ward 5	<ul style="list-style-type: none"> • <i>Requesting houses at thembalethu</i> • <i>Requesting a storm water control</i> • Complaining about the positioning of high mast lights • Complaining about un-energised high mast light • Requesting three high mast lights at Thembaletu outline • Requesting the flat rate(water) to be decreased to R40-50 • Requesting a community hall at Thembaletu • Requesting a post office and a community hall for next year • Requesting water • Requesting a high mast light at Thembaletu outline • Lack of service delivery at Thembaletu • Roads not being properly gravelled • Complaining about unemployment • Extension of the tar road (clinic) • Extension of highmast lights • Requesting storm water drainage to control water that is damaging tar road • Complaining about roads that need to be constructed
Ward 6	<ul style="list-style-type: none"> • <i>Complaining about a stream of water that requires a bridge to be build.</i> • <i>Requesting fixing of road via Phola park community hall</i> • <i>Complaining about a bridge that over flows when it's raining at Jordan</i> • <i>Complaining and requesting electricity</i> • <i>Requesting a high mast light at the main road of Phola park</i> • Complaining about a dam, and requesting a storm water • Requesting a high mast light next to Sizamile primary school • Requesting recreational facilities (sports ground) at Phola park ext. • Requesting a bridge. Next to/close to Ziphakamiseni • Requesting electricity at new stands and a RDP house • Requesting a clinic at Phola Park
Ward 7	<ul style="list-style-type: none"> • <i>Requesting a tarred road at Mathysensloop</i> • <i>Requesting re-gravelling at mathysensloop stadium</i> • <i>Requesting a tarred road ward 7 Mabhala street</i> • <i>Requesting a borehole at Madala stand</i> • <i>Requesting water reticulation the whole of Madala portion</i> • <i>Requesting recreational facilities</i> • <i>Requesting a borehole at Mathysensloop</i> • <i>Requesting a borehole</i> • <i>Requesting fixing of road via Phola park community hall</i> • <i>Complaining about a bridge that over flows when it's raining at Jordan</i> • <i>Complaining and requesting electricity</i> • Requesting a high mast light at the main road of Phola park • Complaining about the cemetery issue(entrance fee) • Requesting the municipality to work hand in hand with the traditional leaders • Requesting a storm water control at Boekenhouthoek • Complaining about not having water at Mhlamunyene, the whole section. • Complaining about receiving un-hygienic water from the water • Requesting a high mast light at Boekenhouthoek, close to Ruben • Requesting a special school (hearing and low IQ) for disabled candidates • Requesting the municipality to assist the local candidates with a Saturday school (extra classes) • requesting a storm water control/ storm water drainage • requesting a high mast light at Ruben Boekenhouthoek • Requesting high mast lights to be maintained and energised • Complaining about incomplete projects (roads at chilli entrance Boekenhouthoek

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Ward 8	<ul style="list-style-type: none"> • Requesting electricity ,water and tarred road at ward 08 • Requesting a clinic / mobile clinic at Langkloof • Requesting street lights at Langkloof • Requesting water at Langkloof • Requesting pot holes to be covered at Langkloof • Requesting a solar system at ward 08 • Requesting meter readers and requesting each and every house hold to have a tank • Requesting electricity at ward 8 • Requesting network at ward 8 • Requesting recreational facilities • requesting water at Doorfontein • requesting re-gravelling of roads at farm water • requesting electricity at farm water • requesting roads/re-gravelling of roads at Thabakhubedu • requesting a pumping machine to operate Kwa-Jiyane • requesting a solar power/boreholes • requesting RDP houses • Request the tar road in internal roads • Request the bridge in a bus road • Request the dust bin for waste collection • Request the Apollo • Request water reticulation • Request skill centre • Request extension of tar road • Request the satellite office for payment of services • Request the grave yard to be fenced • Request Primary & Secondary school • Request job opportunities • Request chairs for Community hall • Request sports field to be graded
Ward 9	<ul style="list-style-type: none"> • Requesting a tap inside where she is residing • Requesting a RDP house • Requesting a community clinic at Tweefontein J • Complaining about Thembisile Hani municipality not assisting in arts and culture • Requesting tarred and Tweefontein J • Complaining about Tweefontein J not being included in the coming budget for financial year of 2014/2015 • Requesting water reticulation at Sheldon, the whole of Sheldon • Requesting water supply on all important areas like clinics and police stations. • Complaining about leakages and not being attended when they are being reported • Requesting a community hall for senior citizen • Requesting all high mast lights to be energised at Buhlebuzile • Requesting a multi- purpose centre for the residence • Roads to Einel 2 experience some water leakage. • Community member is concerned about water leakages • Requesting a multi-purpose centre • Requesting toilets • In need of a municipal satellite office so that they can pay their services easily • Road maintenance • Requesting PHP houses • Requesting a primary school at Zenzele • Complaining about crime • Complaining about unemployment and their advising the municipality to employ local people in local projects.
Ward 10	<ul style="list-style-type: none"> • Complaining about projects not being allocated to ward 15 • Requesting a sports ground at Skhahla ward 10 • Requesting a public transport for primary school students • Requesting a storm water control at ward 10 • Complaining and requesting a bridge

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	<ul style="list-style-type: none"> • Enquiring about the solar system request-when are they getting • Requesting toilets at ward 10 • complaining about the waste tank not collecting/ entering each and every street • complaining about rural residents not getting water • complaining about the water tank not servicing all the residents • complaining about not being told the correct service fee rate • Complaining about taps that are leaking • Complaining about other residents receiving free services • Requesting a RDP houses • Requesting a storm water control at Mzimuhle • Requesting that all high mast lights be energies • Requesting more high mast lights at Mzimuhle • Requesting a storm water control at Mzimuhle • Requesting a vip toilets • Requesting a notice board (where all public notices will be pasted) • Requesting a free public transport for kids to be transported to school • Complaining about the municipality not intervening in sports and arts affairs. • Requesting a waste truck to collect all the waste being dumped by surrounding residents of Mzimuhle • Requesting a Giant yellow waste bin at Mzimuhle • Complaining about a storm water that is being blocked by sand at Mzimuhle • Complaining about a disaster house. A complain was laid but up until now, it wasn't attended
Ward 11	<ul style="list-style-type: none"> • Complaining about high mass lights that were supposed to be 24 but they are 10 and they are un-energised • Complaining about a bore hole that was build inside someone's house hold • Requesting a community hall at ward 11 • Requesting a storm water at verena C • Sports facilities are being requested at ward 11 • Requesting regravelling at " new stands " • Requesting storm water control • Requesting a satellite office at verena. • Requesting indigent forms to be • Requesting jojo tanks, filled with water each and every resident of Verena • Requesting bore holes at Verena D • Enquiring about electricity on when is it going to be installed at Verena C • Requesting bore holes at block D and block C. • Requesting flashing toilets at Verena D and C • Requesting a primary and high school (institution) • Complaining about pot holes at Verena D main tarred road • Requesting speed humps at Verena four way (main road) • Request water tap • Request Electricity • Support the payment of services • Complain about the pampers that are all over the village • Request the meter box of Electricity • Cost for services • Request centre of HIV& AIDS • Request the support from the municipality regarding HIV/AIDS activities • Request access to public transport via Mpumalanga road which is known as Witbank road. • Request the road regravelling • Request the Mayor to look after indigent families • Request food parcel • Request job opportunity • Request road regravelling • Request RDP houses

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	<ul style="list-style-type: none"> • Request job opportunities • Request sewerage toilet • Request the extension of High mast light • Request to be in a list of indigent • Request water reticulation
Ward 12	<ul style="list-style-type: none"> • <i>Complaining and requesting tarred road at "DK" Tweefontein C and water network</i> • Community complaining about youth unemployment • Crime • Water leakage and wasting water • No taps in his stand and his paying municipal service • Lack of service delivery (municipality) • Unemployment (no contract but permanent jobs by the residents) • Nepotism • Requesting Spots facilities • High rate of crime • Unemployment • Requesting for industrial area for job creation • Shortage of water • Unemployment • Complaining about water leakages. • No electricity
Ward 13	<ul style="list-style-type: none"> • <i>Requesting the municipality to install proper water pipes</i> • <i>Requesting high mast lights at B2 to be energised all of them</i> • <i>Requesting a storm water control and tarred</i> • <i>Requesting a community hall at B2 and Tweefontein K</i> • <i>Requesting a clinic at ward 13</i> • <i>Complaining about not having a title deed</i> • <i>Requesting the cemeteries at ward 13 to be fenced</i> • complaining about a meter that is not operating in a proper manner • Complaining about the waste truck not keeping/sticking to the time slot • Complaining about not having a title deed • complaining about a high mast light that causes distraction • complaining about not having water • Requesting sewerage toilet • Requesting storm water • Request the High mast light to maintained • Request RDP house • Request the Community hall for pensioners • Request storm water in a bus road • Development of the community park • Request the office of LED to support cooperatives • Request the collection of waste • Request job opportunity • Request PHP houses • Request community hall • Requesting Electricity • Requesting road regraveling • Requesting the plastic & dustbin • Request clinic • Request outline road to be maintained • Requesting clinic at outline of B2 • Requesting water pipe to be maintained • Requesting two pedestrian bridge next to Sofuyile Tweefontein B1& B2
Ward 14	<ul style="list-style-type: none"> • <i>Requesting a school (primary school)</i> • <i>Requesting a tarred road at simunye street</i> • <i>Requesting water at ward 14</i>

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	<ul style="list-style-type: none"> • Requesting re-gravelling • Requesting a grader to dig at the cemeteries (free of charge) • Requesting a mini-reservoir for next year • Requesting a public-park at mountain view • Requesting a community hall at mountain view • Requesting a mobile clinic at mountain view • Requesting a satellite office at mountain view • Requesting electricity at mountain view zone 6 • Complaining about a stream (river) across zone1 and zone 2 and requesting it to be fixed • Requesting toilets (flushing ones) at mountain view • Requesting water at mountain view zone 6
Ward 15	<ul style="list-style-type: none"> • <i>Requesting a tarred road at ward 15 (Inside houses)</i> • <i>Requesting the road at masese to be fixed. It has a lot of pot holes</i> • <i>Complaining and requesting water reticulation at ward 15</i> • <i>Requesting a high mast lights at ward 15 (outline)</i> • <i>Complaining about projects not being allocated to ward 15</i> • <i>Complaining about cemetery fee.</i> • <i>Requesting a community hall for the pensioners</i> • <i>Requesting monitoring when it comes to local projects.</i> • <i>Requesting a satellite office for service (fleet rate) fee payment</i> • <i>Requesting flashing toilet</i> • <i>Requesting RDP house</i> • <i>Complaining about pot holes that where left after construction work</i> • <i>Requesting a RDP house</i> • <i>Complaining about high mast lights that are not energised around tweefontein</i> • <i>Requesting a storm water control at tweefontein E</i> • <i>Requesting roads at tweefontein E</i> • <i>Requesting a clinic at tweefontein E</i> • <i>Requesting a satellite office at tweefontein E</i> • <i>Requesting street names at tweefontein E</i> • <i>Requesting a RDP house.</i>
Ward 16	<ul style="list-style-type: none"> • <i>Requesting a satellite office at Buhlebesizwe no:2</i> • <i>Requesting re-gravelling of roads at ward 16</i> • <i>Complaining and requesting jobs and job creation</i> • <i>Complaining about projects not being allocated to section AA</i> • <i>Requesting flushing toilets at section AA</i> • <i>requesting a storm water control at buhlebesizwe no:2 sun city location</i> • <i>Requesting vip toilets at buhlebesizwe no: 2</i> • <i>Requesting a honey sucker for the vip toilets at buhlebesizwe no: 2</i> • <i>Complaining about the waste truck not collecting each and every street</i> • <i>Complaining about the municipality not interfering in public transport issues</i> • <i>Requesting recreational facilities/sports ground at buhlebesizwe no:2</i> • <i>Requesting a community hall</i> • <i>Requesting an office/centre to work at/ do her projects</i> • <i>Complaining about title deeds. They must be fixed first before residents pay their services</i> • <i>Requesting regravelling of extra sand that was left after construction work at RDP open space buhlebesizwe no:2</i> • <i>Requesting electricity around RDP Ext new stand</i> • <i>Complaining about being side lined in terms of corporative projects</i> • <i>Complaining about RDP houses that are not well build at RDP buhlebesizwe</i> • <i>Complaining about storm water control that are not well build at buhlebesizwe no:2 RDP</i> • <i>Requesting electricity and water at buhlebesizwe no:2</i>

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Ward 17	<ul style="list-style-type: none"> • <i>Requesting electricity network at ward 17, extension.</i> • <i>Requesting a high school and a primary at ward 17</i> • <i>Requesting a storm water control at Miliva RDP</i> • <i>Complaining about not getting water.</i> • <i>Complaining about water meters that are leaking inside</i> • <i>Complaining about a bridge (to be extended)this issue was reported last year but it was un-attended</i> • <i>Requesting a storm water control</i> • <i>Requesting a geyser and a stove.</i> • <i>Requesting an Apollo's tweefontein N</i> • <i>Complaining about incomplete road</i> • <i>Requesting roads at tweefontein N</i> • <i>Requesting a sports facilities</i> • <i>Requesting a tertiary (high institution)</i> • <i>Requesting a satellite office at tweefontein F</i> • <i>Requesting Nkangala district to assist in job creation</i> • <i>Requesting electricity at tweefontein F</i> • <i>Requesting a satellite office at tweefontein F for fleel rate payment and other service payment</i> • <i>Complaining about un-energised Apollo's</i> • <i>Requesting taps at tweefontein F</i> • <i>Requesting a satellite office at tweefontein F</i> • <i>Requesting recreational facilities (sports ground)</i> • <i>Requesting ground to be re-gravelled</i> • <i>Complaining about the road at 1st stop tweefontein F all the Apollos there, they are not energised</i> • <i>Complaining about un-energised lights at tweefontein F</i> • <i>Requesting a community hall for pensioners or a tent for min-while</i> • <i>Requesting a bridge at tweefontein F</i> • <i>Complaining about not having a post box/ not receiving his mail</i> • <i>Requesting a shopping complex at tweefontein F</i> • <i>Requesting street humps at tweefontein F</i>
Ward 18	<ul style="list-style-type: none"> • <i>Requesting a storm water control that will lead water to Gandhi</i> • <i>Requesting re-gravelling at ward 18. The whole of it</i> • <i>Requesting water reticulation at Thokoza/requesting Thokoza to be included in the next financial year projects concerning water</i> • <i>Complaining /requesting about electricity at Thokoza</i> • <i>Requesting a storm water control at Simunye street</i> • <i>Complaining about not having water at Thokoza</i> • <i>Requesting a community hall at Thokoza</i> • <i>Requesting road signs that indicate the location (Thokoza)</i> • <i>Requesting re-graveling of roads at Thokoza</i> • <i>Requesting high mast lights to be energised</i> • <i>Requesting roads at Ghanda Street , Thokoza</i> • <i>Requesting water at Thokoza ext.</i> • <i>Requesting storm water control at Thokoza ext.</i> • <i>Requesting a tap where he is residing at the given address</i> • <i>Requesting a RDP house</i> • <i>Requesting water at Thokoza where his old age centre is residing (he owns an old age centre)</i> • <i>Requesting re-gravelling of street at new stands, Thokoza</i> • <i>Requesting a youth centre</i> • <i>Requesting a storm water control</i> • <i>Requesting maintenance at Thokoza, all roads</i> • <i>Requesting sports grounds to be re-gravelled at Thokoza</i> • <i>Requesting job opportunities</i>
Ward 19	<ul style="list-style-type: none"> • <i>Requesting a storm water control at sun city C</i> • <i>Requesting a school at ward 19 and water</i> • <i>Requesting water at sun city A and a tarred road to the clinic and a storm water</i>

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	<ul style="list-style-type: none"> • <i>Requesting tarring of internal roads</i> • <i>Complaining about a bridge that needs to be fixed. Reason being it over-flows and residents can't walk</i> • <i>Requesting boreholes at Sun city D</i> • <i>Requesting high mast lights at sun city A.A</i> • <i>Requesting roads at A.A</i> • <i>Requesting water</i> • <i>Requesting water the whole of sun city A.A</i> • <i>Requesting water and a community hall</i> • <i>Requesting a satellite office for service payment around sun city A.A</i> • <i>Requesting an internship programme from agriculture to accommodate all the un-employed youth.</i> • <i>Requesting a jojo tank</i> • <i>Requesting street names at sun city A.A</i> • <i>Requesting a community hall</i> • <i>Requesting a clinic</i> • <i>Requesting recreational facilities</i> • <i>Requesting a satellite office at sun city A.A</i> • <i>Requesting street lights to be monitored and maintained at sun city A.A</i> • <i>Requesting water at sun city A.A</i> • <i>Requesting pedestrian tar roads and pedestrian bridge</i> • <i>Requesting speed humps at Moloto road near sun city A.A</i> • <i>requesting re-gravelling of roads at sun city A, B,C and A.A</i> • <i>Requesting a community hall at sun city</i> • <i>Requesting recreational facilities</i>
Ward 20	<ul style="list-style-type: none"> • <i>Requesting a pavement, community hall and toilets at ward 22</i> • <i>Requesting dongs to be closed after any construction has been done.</i> • <i>Complaining and requesting electricity at Sun city AA and Vezubuhle</i> • <i>Requesting a high school at Sun-city AA</i> • <i>Requesting internal streets to be named</i> • <i>Requesting that cemeteries be re-gravelled at sun city A.A next to an open space</i> • <i>Requesting a satellite office to pay services fleet rate</i> • <i>Requesting roads at sun city A.A</i> • <i>Requesting roads at sun city A.A and may they be made solid</i> • <i>Requesting/complaining about not having water. The whole of Nyabela street</i>
Ward 21	<ul style="list-style-type: none"> • <i>Enquiring about Vlaklaagte number 1 on why it's not included on 2014 projects?</i> • <i>Requesting an RDP house.</i> • <i>Requesting a community hall and requesting it at ward 21</i> • <i>Requesting high mast lights to be energised at ward 21</i> • <i>Requesting a clinic</i> • <i>Requesting a hall</i> • <i>Requesting electricity</i> • <i>Enquiring about the RDP houses</i>
Ward 22	<ul style="list-style-type: none"> • <i>Requesting tarred to be fixed including pot holes</i> • <i>Requesting inspectors to come from human settlement and inspect those RDP houses</i> • <i>Requesting a community hall</i> • <i>At Maboko, they are requesting a bus for primary and secondary students. They are also requesting water.</i> • <i>Complaining about un-energised high mast lights at ward 21</i> • <i>Requesting more RDP houses at ward 21</i> • <i>Requesting tarring of internal roads at Msholoz</i> • <i>Requesting high mast lights at Msholoz</i> • <i>Requesting Roads at Cemeteries</i> • <i>Requesting a public parking at the cemeteries</i> • <i>Requesting a NO PARKING sign at the cemeteries</i> • <i>Requesting more street lights at Mandela</i> • <i>Complaining about water (not getting water, the whole of section 10 at Mandela)</i> • <i>Complaining about livestock that is loitering around</i> • <i>Requesting a primary school at Luthuli</i> • <i>Requesting a community hall at Mahlabathini</i> • <i>Requesting a RDP house</i>

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	<ul style="list-style-type: none"> • Requesting a taps • Requesting A Clinic That Will Accommodate Mahlathini, LuthuliAnd Msholoz • Complaining about Luthuli being side lined when it comes to other project like storm water control and roads • Requesting re-gravelling of roads at Luthuli • Requesting roads and bus routes at Luthuli • Requesting street signs • Complaining about electricity at Luthuli • Requesting re-gravelling at Luthuli • Requesting storm water control at Luthuli
Ward 23	<ul style="list-style-type: none"> • <i>Requesting a RDP house</i> • <i>Complaining about not receiving service delivery from the local municipality</i> • <i>Requesting sports/playground at Phumula A1, A2, B1 and C1</i> • <i>Requesting the municipality to set an appointment with Eskom for the community (something like imbizo)</i> • <i>Requesting toilets at A1 Phumula</i> • <i>Requesting high mast lights at A1 Phumula</i> • <i>Requesting tarred at section A1</i> • <i>Requesting a storm water control at Phumula.</i> • <i>Requesting high mast lights to be energised at Phumula</i> • <i>Requesting a community hall at Phumula</i> • <i>Requesting a community hall at phumula</i> • <i>Requesting a platform for the community of phumula where they are going to state their issues</i> • <i>Requesting a shopping centre for the phumula community</i> • <i>Requesting fencing at the cemeteries of phumula</i> • <i>Requesting an office where he can do his HIV/AIDS programme for the community</i> • <i>Requesting a community clinic (not a mobile one) for the community of phumula</i> • <i>Requesting toilets at Phumula</i> • <i>Requesting electricity</i>
Ward 24	<ul style="list-style-type: none"> • <i>Requesting water and bore holes at Machipe</i> • <i>Requesting speed humps at main street of Machipe</i> • <i>Requesting water supply at Machipe</i> • <i>Requesting a storm water control at Machipe</i> • <i>Requesting high mast lights to be energised at Machipe</i> • <i>Requesting the municipality to assist with corporatives</i> • <i>requesting a storm water control</i> • <i>requesting that after construction , the holes that are left be closed</i> • <i>requesting a community clinic at Bhundu</i> • <i>Requesting a storm water control at Boekenothoek Kwa- Jane</i> • <i>Requesting a high mast light at Boekenothoek, close to Ruben</i> • <i>Requesting that the municipality must not issue previous statements from previous years</i> • <i>Requesting a special school (hearing and low IQ) for disabled candidates</i> • <i>Requesting the municipality to assist the local candidates with a Saturday school (extra classes)</i> • <i>requesting a storm water control/ storm water drainage</i> • <i>requesting a high mast light at Ruben Boekenothoek</i> • <i>Requesting a high mast lights at Boekenothoek. The whole of Boekenothoek</i> • <i>Requesting high mast lights to be maintained and energised</i>
Ward 25	<ul style="list-style-type: none"> • <i>Requesting a storm water control at wad 25</i> • <i>Enquiring about the pavement (the street is incomplete, the street to Masombuka Emaqweneni)</i> • <i>Requesting that the grader be used on weekends to fladder the spots grounds.</i> • <i>Enquiring about the feedback report how its being draft</i>
Ward 26	<ul style="list-style-type: none"> • <i>Complaining about a stream river and requesting a bridge or storm water control</i> • <i>Requesting a sports ground</i> • <i>Complaining about people who haven't received their RDP houses even though they were on the list</i> • <i>Complaining about incomplete bus routes at Thembaletu that are not complete</i> • <i>Requesting high mast light (6) at Mzimuhle (four way stop at the main entrance)</i> • <i>Requesting a pavement in ward 9</i>

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	<ul style="list-style-type: none"> • Requesting a satellite office for service fee payment at Luthuli • Amakhosi are complaining about not being invited in some of the meetings • Requesting a storm water control for next year • Requesting a researcher to research in the community and report back to the traditional leaders • Requesting high mast lights at the cemeteries • Requesting toilets (flashing ones) at kwagga C • Requesting a high mast light at kwagga C next to Mphephulo • Complaining about the shortage of water around kwagga C • Requesting flashing toilets at kwagga C • Requesting the municipality to assist in job creation • Complaining about unemployment rate around Thembisile. (its high) • Requesting a RDP house • Requesting flashing toilets • Complaining about electricity and requesting it at Kwaggafointein C
Ward 27	<ul style="list-style-type: none"> • Request water , High mass lights and roads maintenance • Request tar roads • Do not want the VIP toilets but flushing toilets • Skills development centre • Roads maintenance • Street lights/high mast light • Disaster management to assist families that need houses • Request for electricily • Palesa mine uses THLM water but not charged • Request community hall • Asbestos pipe changed to PVC plastic pipes • Completion of water reticulation • Regravelling of internal roads
Ward 28	<ul style="list-style-type: none"> • <i>Complaining about not being notified as a ward committee member</i> • <i>Requesting an appointed contractor to be punctual and work on a time frame</i> • Requesting the municipality to communicate with the community • Requesting storm water control • Requesting a Jojo tank • Requesting water meter all the residence of Bhundu • Requesting roads • Requesting a high mast light next to spar Kwagga A • Requesting a community park • Requesting assistance from the municipality to assist him with his corporative • Requesting a storm water control at ward 28 • Requesting a special school for low IQ/disabled candidates around Kwagga A • Requesting an RDP house • Requesting a community hall/temporally tent • Complaining about potholes at the cemeteries of Kwagga A • Requesting re-gravelling/ maintenance of the roads outlined roads at Kwagga A • Requesting speed humps from Sifkile to R573
Ward 29	<ul style="list-style-type: none"> • PHP houses completion in ward 29 • Mobile Clinic introduction and the schedule of dates be given by the Department of Health • Installation of street lights or High mast light in crime spot areas • Request Community Hall • Sports Grounds development in ward 29 • Request businesses sites to be released when they apply • Meter box for electricity installation • Completion of the VIP toilets in ward 29 • Job opportunities for the youth • Park or recreational facilities in the form of multipurpose functions • DARLA to clarified the land issue especially farm in ward 29 • By-law on land requisition in ward 29

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	<ul style="list-style-type: none"> Asbestos pipe changed to PVC plastic pipes Regravelling of internal roads
Ward 30	<ul style="list-style-type: none"> Enquiring about water, when would this problem be solved and requesting a satellite office Complaining about incomplete tarred/roads at Tweefontein J closed to the high school Requesting a toilet Requesting a storm water control Municipality to do feasibility study before building RDP houses to avoid the issue of wetland In need of VIP toilet In need of storm water drainage to control water that damage houses They complaining about water from dam stream that are destroying the tire road and cemetery Highmast light are not operating In need of Apollo's Proper inspection was not done well when RDP houses were built In need of Community Hall Request extension of highmast light and repair those that are there
Ward 31	<ul style="list-style-type: none"> Complaining about un-energised high mast lights Requesting storm water control at ward 31 Requesting water supply at section D (entabeni) Requesting our road to be tarred at Kwaggafontein D Requesting the municipality to assist with home based care (khomani home base care) Requesting storm water control and roads at Kwagga D Complaining about un-energised high mast lights around Kwagga D Requesting road and electricily Requesting a RDP house Requesting a high mast light at Kwagga D Requesting speed humps at D-line Requesting recreational facilities at Kwagga D Requesting a community hall at Kwagga D Requesting that the agenda/report be written in isiNdebele Requesting re-gravelling requesting re-gravelling of roads next to the Dum/farm requesting temporally tents mine while her RDP house is still being build Requesting a jojo tank where he is located. He owns a little farm Requesting assistant from the municipality to assist her with a disability school and senior citizen school Requesting a TLB (re-gravelling)
Ward 32	<ul style="list-style-type: none"> Requesting that, all the requested needs be implemented Requesting a bus-waiting room Complaining about the shopping centre at kwa-Mhlanga cross roads. Requesting it to be extended. Complaining about not getting food parcels Complaining about poor service delivery Complaining about a meter that was inserted and it was leaking Complaining about a proof of residents that are being issued at the municipality. They are not permitted at other banks Complaining about being side-lined by the municipality in teams of food parcels Complaining about KwaMhlanga not being clean Requesting maintenance in every infrastructure Requesting maintenance at Thembisile show ground Complaining about pot holes at section C Kwa-Mhlanga

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WARD COMMITTEES

In terms of the Municipal Structures Act, (Act 117 of 1998) municipalities are required to establish ward committees to enhance community participation in municipal development processes. In compliance with this legislative requirement the Municipality has established 32 Ward Committees which are functional. The ward committees have since their establishment added much value to municipal processes by providing inputs from a community perspective. They play a major role in the IDP process, both in terms of highlighting community priorities but also in maintaining constant communication between the Council and the communities. A number of training opportunities were made available for ward committee members to augment their capacity. Proportional Representative Councillors are deployed in wards to strengthen participation and communication.

MAYORAL OUTREACH MEETINGS

The following Mayoral outreach meetings were held during the 2015/2016 financial year.

WARD	DATE	DAY	VENUE	TIME	VILLAGES/STAKEHOLDERS
ALL	08/10/2015	THU	THLM MUNICIPAL COUNCIL CHAMBER	09:00-12:00	WARD COMMITTEES & COMMUNITY DEVELOPMENT WORKERS
26	09/10/2015	FRI	THLM MUNICIPAL COUNCIL CHAMBER	09:00-12:00	TRADITIONAL LEADERS
26	09/10/2015	FRI	THLM MUNICIPAL COUNCIL CHAMBER	14:00-16:00	TRADITIONAL HEALERS
01	13/10/2015	TUE	MATIMBA SCHOOL SPORT GROUND	09:00-12:00	MOLOTO SOUTH
32	14/10/2015	WED	BRONKHORST MINE OPEN SPACE	09:00-12:00	TETEMA (Known as NDEDEMA), HOKAI, BRONKHORST MINE, PAPSKUIL and other farms
32	14/10/2015	WED	HOKAI SPORTS GROUND	14:00-16:00	TETEMA (Known as NDEDEMA), HOKAI, BRONKHORST MINE, PAPSKUIL and other farms
03	15/10/2015	THU	MOLOTO OPEN SPORTS FIELD	09:00-12:00	MOLOTO SOUTH
02	15/10/2015	THU	SPORTS GROUND	14:00-16:00	MOLOTO NORTH, MAFUSHANA & RDP
14	16/10/2015	FRI	KGANTSHO P.SCHOOL	09:00-12:00	MOUNTAIN VIEW
22	16/10/2015	FRI	MANDELA COMMUNITY HALL	14:00-16:00	MANDELA, LUTHULI & MAHLABATHINI
06	20/10/2015	TUE	PHOLA PARK COMMUNITY HALL	09:00-12:00	PHOLA PARK 'A', 'B', 'C' & JORDAN
19	21/10/2015	WED	TENNIS COURT OPEN SPACE	09:00-12:00	SUN CITY A, B, C, AA & ENGWENYAMENI
19	21/10/2015	WED	King Makhosoke 2 cluster hall	14:00-16:00	SUN CITY A, B, C, AA & ENGWENYAMENI
04	22/10/2015	THU	ZAKHENI HIGH SCHOOL SPORT GROUND	14:00-16:00	ZAKHENI & ZAKHENI EXTENSION
20	22/10/2015	THU	KHAYELITJHA P. SCHOOL	09:00-12:00	SUNCITY AA & VEZUBUHLE

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32	22/10/2015	THU	KWAMHLANGA COMMUNITY HALL	17:00-19:00	KWAMHLANGA A, B, C, D, etc.
22	23/10/2015	FRI	CHIEF LUTHULI P. SCHOOL SPORTSFIELD	09:00-12:00	MANDELA, LUTHULI & MAHLABATHINI
20/18	23/10/2015	FRI	VEZUBUHLE COMM. HALL	14:00-16:00	SUNCITY AA & VEZUBUHLE
05	27/10/2015	TUE	Elukhanyisweni S. School	09:00-12:00	THEMBALETHU
09	28/10/2015	WED	MZIMHLOPHE H. SCHOOL OPEN GROUND	09:00-12:00	BUHLEBUZILE, ZENZELE & TWEEFONTEIN J
18	28/10/2015	WED	MAKERANA TRIBAL OFFICE	14:00-16:00	THOKOZA, CHRIS HANI, SAKHILE & VEZUBUHLE
17	29/10/2015	THU	ZAMANI P. SCHOOL SPORTS GROUND	14:00-16:00	TWEEFONTEIN F, TWEEFONTEIN N & MILIVA RDP
09	29/10/2015	THU	SANCO OFFICE	09:00-12:00	BUHLEBUZILE, BELFAST, ZENZELE & TWEEFONTEIN J
12	30/10/2015	FRI	OPEN SPACE next to Msindwana shop (TWEEFONTEIN C)	09:00-12:00	TWEEFONTEIN C, EMANALENI
23	30/10/2015	FRI	OPEN GROUND (back opposite to Thokozani shop)	14:00-16:00	PHUMULA A1, A2 & B1,C1
30	03/11/2015	TUE	SPORTS GROUND (back opp. MF Kabini's business)	09:00-12:00	TWEEFONTEIN H,J
15	04/11/2015	WED	BAMBANANI DISABLE CENTRE	09:00-12:00	BUHLEBESIZWE WEST & TWEEFONTEIN E
21	04/11/2015	WED	OLD MUNICIPAL SATELLITE OFFICE	14:00-16:00	VLAKLAAGTE NO.1
16	05/11/2015	THU	OLD CIVIC OFFICE OPEN SPACE	09:00-12:00	BUHLEBESIZWE 2 & RDP
13	05/11/2015	THU	TRIBAL OPEN SPACE	14:00-16:00	TWEEFONTEIN B2, TWEEFONTEIN K
13	05/11/2015	THU	DUTCH REFORM CHURCH	17:00-19:00	TWEEFONTEIN K & TWEEFONTEIN B2
26	06/11/2015	FRI	THLM MUNICIPAL COUNCIL CHAMBER	09:00-12:00	FAITH-BASED STRUCTURES
15/16	06/11/2015	FRI	BUHLEBESIZWE SECONDARY SCHOOL	14:00-16:00	BUHLEBESIZWE WEST, TWEEFONTEIN E
11	10/11/2015	TUE	VERENA CLUSTER HALL	09:00-12:00	VERENA C, D, WOLVENKOP & FARMS
10	11/11/2015	WED	SPORTS GROUND (MZIMUHLE)	14:00-	MZIMUHLE, ISKHAHLA FARMS

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				16:00	
08	11/11/2015	WED	LANGKLOOF COMMUNITY HALL	09:00-16:00	VERENA A, B, LANGKLOOF FARMS(RIETFontein & DOORNEK)
11	12/11/2015	THU	KAMLAUDZI HALL	09:00-12:00	VERENA C, D, WOLVENKOP & FARMS
08	12/11/2015	THU	OLD COMMUNITY HALL	09:00-12:00	VERENA A, B, LANGKLOOF FARMS(RIETFontein & DOORNEK)
08	13/11/2015	FRI	FARM WATERVAL OPEN SPACE	09:00-12:00	FARM WATERVAL
08	13/11/2015	FRI	BLY 'N BIETJIE SCHOOL	14:00-16:00	RIETFontein, DOORINEK, BLY 'N BIETJIE
10	17/11/2015	TUE	SKHAHLA PRIMARY SCHOOL	09:00-12:00	SKHAHLA, Swartkopies FARMS & MZIMUHLE
24	18/11/2015	WED	OPEN SPACE	09:00-12:00	BUNDU & MACHIPE
07/24	18/11/2015	WED	ENDLINI YABO GOGO	14:00-16:00	BOEKENHOUTHOEK ,MATHYSENSLOOP & MHLAMONYANE
07	19/11/2015	THU	EKOSINI-MATHYSENSLOOP	09:00-12:00	MATHYSENSLOOP, MHLAMONYANE & BOEKENHOUTHOEK
26	19/11/2015	THU	KWAGGAFONTEIN COMMUNITY HALL	14:00-16:00	KWAGGAFONTEIN C
31	20/11/2015	FRI	OPEN GROUND-VRIES	09:00-12:00	KWAGGA D, KWAGGA E & DOBHA
31	20/11/2015	FRI	TRIBAL OFFICE	14:00-16:00	KWAGGA D, E & DOBHA
27,28,29	21/11/2015	SAT	KWAGGAFONTEIN SPAR OPEN SPACE	09:00-12:00	KWAGGAFONTEIN A
25	24/11/2015	TUE	SINDAWONYE PRIMARY SCHOOL OPEN SPACE	09:00-12:00	KWAGGAFONTEIN B
31	25/11/2015	WED	OPEN SPACE-DOBHA	09:00-12:00	KWAGGA D, E & DOBHA
26	25/11/2015	WED	THLM MUNICIPAL COUNCIL CHAMBER	17:00-19:00	BUSINESS PEOPLE

Chapter 2

IDP PROCESS PLAN

IDP PHASES	ACTIVITIES	DATES
PRE-PLANNING PHASE	Before starting the planning process, an IDP Process Plan must be drawn up. This plan is meant to ensure the proper management of the Integrated Development Planning Process. The Plan must be set out in writing, in terms of the legislation and must comply with the provisions of the District Framework Plan in terms of the binding National and Provincial Planning Frameworks, mechanisms and processes stipulated in the Framework Plan of the District.	All municipalities must adopt their IDP Process Plans by August 2015 subsequent to the adoption of the District Framework Plan by the July 2015
ANALYSIS PHASE	During this phase information is collected on the existing conditions within the municipality. When assessing the existing level of development in the municipality, the level of access to basic services and those communities that do not have access to these services must be identified. Focus must be on the types of problems faced by community in the area and the causes of these problems. The identified problems are assessed and prioritised in terms of what is urgent and what needs to be done first. Information on availability of resources is also collected during this phase. Priority issues highlighted during the 2014/15 IDP processes will also be revised and confirmed during this phase. Com-munity meetings, stakeholder meetings, surveys, opinion polls and researched information should form the basis of this phase.	This phase should be completed by October 2015
STRATEGIES PHASE	Municipalities must begin to contemplate on the best possible strategies to tackle the identified challenges. Critical in this process in order to ensure a focused analysis, the municipal vision must be confirmed and development objectives containing clear statements of what the municipality would like to achieve in the medium term to deal with the problems outlined in the first phase be confirmed. Internal transformation needs, Council's development priorities must be taken into account when formulating council objectives. This process should involve strategic workshops, targeted stakeholder engagements, public hearings, sector Provincial and National Departments engagements, social partners, interest-based groups and organized civil society. Once the municipality has worked out where it wants to go	This phase should be completed by November 2015
PROJECTS PHASE	During this phase the municipality works on the designs and content/specifications of projects identified during the prior phases. Clear details for each project have to be worked out. Clear targets must be set and indicators worked out to measure performance as well as the impact of individual programmes and projects. The identified projects must have a direct link to the priority issues and objectives identified in the previous phase. Municipalities must ensure engagement of internal technical committees, possibly with selected key stakeholders. The needs and views of the affected communities must be taken as a priority. The project technical committees and their subcommittees must be able to distinguish between the strategic municipal wide development programmes and the localized community-level projects.	This phase should be completed by December 2015

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INTEGRATION PHASE	Thembisile Hani Local Municipality embarked on Mayoral outreach programme from September to November 2015 in all 32 wards. Once all projects have been identified, the municipality must confirm that the identified projects will achieve the desired impact in terms of addressing the identified challenges and are aligned with the objectives and strategies and comply with legislation. The identified programmes/projects will set the pace and direct the trajectory emanating from the overall picture of the development plans of all the stakeholders, including sector departments and social partners	By December 2015
IDP INDABA	Amendment of IDP according to comments	By April 2016
APPROVAL PHASE	Submission of draft IDP to council Road show on public participation and publication Submissions of IDP to council for approval and adoption	By May 2016

Schedule of Key dates

IDP Phase	Activity	IDP Steering committee	Mayoral IDP/Budget Steering Committee	Strategic Planning Workshop	IDP/Budget Indaba	Mayoral Committee Sitting	Council Sitting	Community Meetings	Public Notice Date	Due date for Completion of Process
Preparation 01 July- 30 August	Preparation and Adoption of IDP Process Plan	06 July 2015	N/A	N/A	N/A	21 July 2015 14 August 2015	30 July 2015 28 August 2015	N/A	By 10 September 2015	30 August 2015
Analysis 01 August- 30 October	Preparation of IDP Analysis Report	26 October 2015	N/A	N/A	N/A	N/A	N/A	August-October 2015	N/A	31 October 2015
Strategies 01-30 November	Refinement of Objectives and Strategies	09 November 2015	N/A	25/26 November 2015	N/A	N/A	N/A	N/A	N/A	30 November 2015
Projects 01 December- 30 January	Project confirmations	18 January 2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30 January 2016
Integration	Consultation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30

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01-30 February	on with Sector Departmen ts, Confirmati on of budgets, Integration with Sector plans									February 2016
Approval 01-31 March 2016	Communit y Engageme nts Publication of Notices Preparatio n of IDP for Council Approval	29 February 2016	N/A	N/A	N/A	17 March 2016	31 March 2016	05-15 April 2016	By 14 April 2016	30 April 2016
Adoption of amendme nts to the Final IDP and Budget 30 May 2015	Communit y Participatio n Publication of Notices Final Approval of IDP and Budget	18 April 2016	26 April 2016	N/A	11/12 May 2016	17 May 2016	31 May 2016	N/A	By 14 June 2015	30 June 2015

SUMMARY

For the purpose of reviewing the IDP, the Municipality conducted a series of public participation/ Mayoral Izimbizo meetings during the months of September, October and November, January, February and March to get inputs from communities regarding current service delivery issues and needs. The council consequently adopted its last 2016/2017 Integrated Development Plan taking into account the needs that were collected at the aforementioned meetings.

According to the Municipal Systems Act (32 of 2000) the "Municipality must within 14 days of the adoption of the IDP give notice to the public of the adoption of the plan and that copies of the extracts from the plan are available for public inspection at specified places". As such a notice was issued inviting communities to give inputs within a period of 21 days after publishing the notice. The Municipality further dedicated the month of April 2015 for holding community consultation meetings in order to provide an opportunity for further inputs from community members, stakeholders and representatives.

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COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Council benefits positively as a result of the above systems, in that consultation is done with the broader community of Thembisile Hani on matters of service delivery.

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2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

COMPONENT D: CORPORATE GOVERNANCE

The scope of corporate governance includes the political, administrative, intergovernmental governance and public accountability and participation to ensure that the municipality is managed to the required desires of the community within the rules, processes and laws by which the municipality is operated, regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**

2.6 RISK MANAGEMENT, ANTI-CORRUPTION AND FRAUD

The municipality has established a functional Risk Management Unit which is headed by Chief Risk Officer and it strive to maintain an effective, efficient and transparent system of risk management. These unit use the National Treasury Risk Management Framework as a guideline to discharge its day to day responsibilities and operations.

The following risk management related policies has been developed in order to intensify the effectiveness, efficiency and transparency systems of risk management within the municipality:

- Risk Management Policy
- Risk Management Strategy
- Risk Management Methodology
- Risk Management Charter
- Whistle Blowing Policy
- Gift Policy

The municipality appointed a functional risk management committee which meets on quarterly basis and is chaired by an independent external person. The committee oversee the matters of risk management related matters ensures that risk assessments are conducted on annual basis, monitoring reports submitted on quarterly basis and risk management related policies are reviewed and approved by the appropriate structures.

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The Top 5 Risks of the Municipality are:

1. Inadequate revenue collection.
2. Inadequate fleet management.
3. Land invasion and encroachment.
4. Unwillingness to pay services by stakeholders.
5. Inadequate security management.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality strongly discourage the activities of theft, fraud and corruption internally and externally. The matters relating to corruption and fraud are advocated under Risk Management Unit and Audit Committee by Risk Management Committee and Chief Risk Officer.

Chief Risk Officer by-annually conducts anti- fraud and corruption awareness campaigns to educate both municipal staff members and honorable councilors about the risks relating to fraud and corruption.

During awareness campaigns stakeholders are encouraged to report any fraud and corrupt related matters and the whistle blowers may remain anonymous and will be protected.

The Anti-Fraud and Corruption Strategy, Fraud Prevention Plan and the Whistle Blowing has been developed and approved by Council and these documents are aligned to the Prevention of Corrupt Activities Act (POCA) and Prevention and Combatting of Crime Activities Act (PRECCA). The Whistle Blowing Policy was developed in line with the Protected Disclosure Act.

Risk Management Unit and Internal Audit has a vital role to play in ensuring that the municipality become free from fraudulent and corrupt activities, by conducting preliminary investigations and Special Internal Audit Assignment on any fraud and corruption reported matters.

Part of the risk assessment report which developed was the Fraud Risk Register. The register indicates all the possible risks which relates to fraud and corruption. The register is monitored on quarterly basis together with the operational and strategic risks and the report is escalated to Council through Audit Committee.

Anyone found to have contravened any act or policy, by being involved in the activities of theft, fraud and corruption is subjected to the disciplinary committee.

CONCLUSION

For its success, the Risk Management Framework describes its reliant upon gaining commitment from Senior Management and Council, establishing the business processes, including assigning responsibilities for change, resourcing, communication, training and reinforcing a risk culture throughout the Municipality.

The implementation of a Risk Management Framework will enable the Municipality to improve its management of Risks, and drive performance, i.e. improvement of stakeholder value.

An effective Risk Management Framework will enable Senior Management to understand the potential upside and downside of actions, and to understand the management of risk in order to raise the likelihood of issues while reducing the likelihood of failure and decrease the uncertainty of overall financial performance.

The Risk Management Framework will assist the Municipality to better allocate risk management resources, provide better performance indicators and monitoring opportunities and improve risk reporting throughout the Municipality.

In addition, the Framework will assist the Municipality with identification of unidentified risks, and highlight control gaps and unnecessary and excessive controls, elimination of which will produce cost saving. Such a framework will necessarily present risk awareness throughout the Municipality.

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2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The SCM Policy of Thembisile Hani Municipality was adopted by Council and is reviewed every year together with the Budget related policies. It is efficiently, effectively and transparently implemented and there are not visible failures on its implementation. There were also no material findings from the office of the AG regarding the implementation of the policy and the SCM processes. The emergency situation caused the user department to deviate on normal SCM processes. To avoid recurrence of anomalies is to ensure service providers are appointed for as and when required basis on all service or good that were procurement through deviation. Furthermore procurement plans will be development on operational and capital projects.

Challenges	Impact	Measures to improve performance
Deviations by User Department	Irregular expenditure	Proper planning to avoid deviation

2.9 BY-LAWS

COMMENT ON BY-LAWS PERFORMANCE OVERALL

No By-laws were gazetted during 2015/2016 financial year

2.10 WEBSITES

Website Performance Indicators			
Indicator	Compliance	Actual Date	Target Date
Current annual and adjustments budgets and all budget-related documents	Yes	March 2015	April 2016
All current budget-related policies	Yes	June 2015	June 2016
The previous annual report (2014/15)	yes	February 2015 April 2015	September 2015
The annual report 2014/15 published	yes	February 2015 April 2015	September 2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2000) and resulting scorecards	yes	July 2014	June 2016

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All service delivery agreements	No	None	None
All long-term borrowing contracts	No	n/a	N/A
Contract register	Yes	30 June 2014	June 2016
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 2015/16	yes	None (no disposal register for 2013/2014)	September 2015
Public-private partnership agreements referred to in section 120 made in 2015/16	Yes	None	None
All quarterly reports tabled in the council in terms of section 52 (d) during 2015/16	yes	August 2013– July 2014	June 2016

Chapter 2

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has not conducted any public satisfaction survey. However the municipality has conducted public participation meetings as part of the Mayoral outreach. These participation meetings to some extent were a mirror with which to gauge public satisfaction on the service provided by the municipality. These meetings serve to address some of the constraints and challenges the municipal council and communities face. About 71 mayoral outreach meetings were held during 2015/2016 financial year.

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Service Delivery is in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the departmental objectives of the Thembisile Hani Local Municipality, certain issues are set out to be achieved during the financial year.

The following have been achieved during 2015/2016 as per Community Survey:

- Provided 81% households with access to basic water
- Provided 25% of households with access to Ventilated Improved Pit (VIP) toilets
- Provided 90% of households with access to basic refuse removal
- Provided 4% of households with access to septic tank (sanitation)
- Provided 4% of households with access to basic sanitation (Water borne system)
- Provided 81% households with access to free basic water(6 kl)
- Received a 79.44% Blue Drop for drinking water quality
- Received an 25.68% Green Drop status for effluent water quality

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Basic service provision	Challenges
Water	<ul style="list-style-type: none"> • Lack of Water Storage in KwaMhlanga, Bundu, Moloto, Tweefontein, Vriesgewadte • Lack of own water source/need for purification plant • Water losses • Non- bulk water supply from City of Tshwane • Ageing infrastructure (Asbestos pipes)
Refuse removal	<ul style="list-style-type: none"> • Shortage of Staff • Limited funding
Sanitation	<ul style="list-style-type: none"> • Huge sanitation Backlog • Limited funding • Community of Thembisile Hani Local municipality requires water borne sanitation system and not the VIP toilets anymore • Lack of maintenance on VIP toilets • High Risk Rating on Green Drop
Electricity for energising High mast light	<ul style="list-style-type: none"> • lengthy Eskom process
Roads and Storm-water Drainage	<ul style="list-style-type: none"> • Limited funding

Chapter 3

DEFINITION OF A HOUSEHOLD / HOUSING UNIT

Household: A *household* consists of a person, or a group of persons, who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling, but who do not share food or other essentials, were enumerated as separate households. For example, people who shared a dwelling, but who bought food and ate separately, were counted as separate households. Visitors, both foreign and South African, as well as boarders who stayed with a household on *census night*, were counted as part of that household. People who were absent on census night, but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre, and so on), and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live-in employees were regarded as separate households. (Statistics: South Africa, Census 2011)

Housing Unit: It is a unit of accommodation for a household, which may consist of one structure, more than one structure, or part of a structure. Examples of each are a house, a group of rondavels, and a flat. In informal areas and overcrowded conditions a housing unit may hold more than one household.

DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land they have no legal claim to. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings. Informal settlements are also referred to as a squatter settlement, slum or a shanty town. (Statistics: South Africa, Census 2011).

3.1 WATER PROVISION

As Thembisile Hani Municipality, we do not have our own source of water; we depend on other Water Service Authorities for bulk water supply. Currently the supply of water to THLM from the two sources is very poor in that:

Rand Water is contracted to supply 30 MI per Day, and Rand Water is currently supplying 30 – 35 MI per Day.

Dr JS Moroka is contracted to supply 5 MI per Day currently when it does supply it is 1 MI per day in summer, and 3 MI per day due to water losses and illegal connections in the system.

City of Tswane is contracted to supply 16.6 MI per Day it currently when it does supply it is 6-9 MI per day, however there is no supply some weeks or month on end due to alleged breakdown of their water treatment plant in Bronkhorstspuit. There are frequent long periods of breakages in their water treatment plant resulting in no supply and sometime .

Our own source is only boreholes which benefits 990 households connected to yard taps, 14 boreholes drilled and 180 communal stand pipes. During the 2015 /16 financial year 54 boreholes were drilled 18 were contaminated, 16 we found to be dry and 20 are in good condition. The design for Mosese river water supply project is underway which aims to supplement the current supply with 5 megalitres per day .

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

DWS to fast track Abstraction of 20 MI/ day from Loskop Dam. Feasibility study has been completed and Rand Water has been appointed by the Department of Water and Sanitation as the Implementing Agent on the project.

Feasibility study for Rust de Winter Dam Water Scheme; Implemented by Rand Water for Western Highveld; Scheme will increase Bulk Water Supply for THLM by 10 MI/ day R 11m for 2016/ 17 FY (RBIG) for completion in September 2016.

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The baseline information below was sourced from 2011 Statistics

Water Service Delivery Levels		
Description	2011	2011
	No.	No.
Water: (above min level)		
Piped water inside dwelling	12 300	12 300
Piped water inside yard (but not in dwelling)	58 339	73 754
Using public tap (stand pipes)	0	0
Other water supply (within 200m)	2 281	2 281
<i>Minimum Service Level and Above sub-total</i>	72 920	88 335
<i>Minimum Service Level and Above Percentage</i>	96%	95.4%
Water: (below min level)		
Using public tap (more than 200m from dwelling)	1 051	1 051
Other water supply (more than 200m from dwelling)	469	2 281
No water supply	1 160	3 459
<i>Below Minimum Service Level sub-total</i>	2 680	6 791
<i>Below Minimum Service Level Percentage</i>	231%	4.6%
Total number of households*	75 600	109 282
* - To include informal settlements		

The wording "within/more 200m from dwellings" be replaced with "stand pipes" as it challenging to measure.

Households - Water Service Delivery Levels below the minimum
Households

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Description	2016/2017 Actual No.	2017/2018 Actual No.
Formal Settlements		
Total households	72 920	75635
Households below minimum service level	2 680	3 459
Proportion of households below minimum service level	4%	4.6%
Informal Settlements		
Total households	2 680	3456
Households below minimum service level	1 160	3456
Proportion of households below minimum service level	43%	4.6%

The information below is as per the community survey.

Water Service Delivery Levels		
Description	2017/2018 Actual No.	2017/2018 Actual No.
Water: (above min level)		
Piped water inside dwelling	12 300	12 300
Piped water inside yard (but not in dwelling)	56 177	73 754
Using public tap (stand pipes)	0	0
Other water supply (within 200m)	2 165	2 281
<i>Minimum Service Level and Above sub-total</i>	70 642	88 335
<i>Minimum Service Level and Above Percentage</i>	93%	81%
Water: (below min level)		
Using public tap (more than 200m from dwelling)	1 051	1 051
Other water supply (more than 200m from dwelling)	466	33 469
No water supply	3 441	1 160

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Below Minimum Service Level sub-total	4 958	35 680
Below Minimum Service Level Percentage	144%	32.6%
Total number of households*	75 600	109 282

* - To include informal settlements

The wording "within/more 200m from dwellings" be replaced with "stand pipes" as it challenging to measure.

Water Service Delivery Status below the minimum		
	2014/2015	2013/2014
	No.	No.
Formal Settlements		
Total households	70 542	88 335
Households below minimum service level	5 058	35 680
Proportion of households below minimum service level	7%	32.6%
Informal Settlements		
Total households	5 058	35 680
Households ts below minimum service level	3 441	990
Proportion of households ts below minimum service level	68%	2.7%

EMPLOYMENT INFORMATION

Employment Water Service					
No. of dwell	2014/2015	2013/2014			
	Employers	Unemployed	Employers	Vacancies (fulltime equivalent)	Vacancies (as % of fulltime eq.)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 to 6	1	1	0	1	100%
7 to 9	13	13	12	1	7.6%
10 to 11	17	15	15	0	0%
13 to 15	48	40	38	2	5%
Total	80	72	66	4	5.6%

CAPITAL EXPENDITURE FOR 2014/2015

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The capital expenditure is on the performance report table.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Majority of communities within the Municipality use pit toilets, 25% of the communities have VIP (Ventilated Improved Pit) toilets, 4% have septic tanks and only 4% have water borne system. Since 2011/12 the communities have rejected the VIP toilets and prefer the water borne system, and the current backlog still remains at 75%. Areas making 4% are: KwaMhlanga serviced by 3 x 0.5 ML/day Oxidation Ponds and Tweefontein K by 0.75 ML/day Waste Water Treatment Works.

During the 2015/16 Tweefontein K waste water treatment works was upgraded with 0.75 ml/d which then make it to a total capacity of 1.5 ml/day. Preliminary Designs for Luthile waste treatment works for 13ml/d for various villages within Thembeisile to eradicate the backlog which is huge on sanitation was conducted during the 2015/16 financial year. This a 20 year plan.

MEASURES TAKEN TO IMPROVE PERFORMANCE

Through IDP processes all communities are involved in voicing their needs to the municipal officials and councillors. The sections providing service is aimed at ensuring proper rendering of sanitation services while preventing environmental pollution caused by poor sanitation services

OVERALL PERFORMANCE COMMENT ON SANITATION

Through the WSOG during 2015/16 the municipality have done refurbishment of oxidation ponds and improving operations and maintenance at Tweefontein k Waste water treatment works which aims at improving green drop score (instalation of flow meters) and improvement of waste water quality. The Municipality's Green Drop score is still based on 2011 results which is 25.68% and for 2014/2015 assessment are not yet done by Department of Water and Sanitation, the municipality is still waiting for the dates to conduct The baseline information below was sourced from 2011 Statistics

Sanitation Service Delivery Levels		
Description	2014/2015	2013/2014
	Output No.	Output No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	3 024	3 024
Flush toilet (with septic tank)	3 686	3 686
Chemical toilet	880	880
Pit toilet (ventilated)	15 942	15 942
Other toilet provisions (above min.service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	23 532	23 532
<i>Minimum Service Level and Above Percentage</i>	31.1%	31.1%
Sanitation/sewerage: (below minimum level)		
Bucket toilet	0	0

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Other toilet provisions (below min.service level)	50 109	50 109
No toilet provisions	1 959	1 959
<i>Below Minimum Service Level sub-total</i>	52 068	52 068
<i>Below Minimum Service Level Percentage</i>	68.9%	68.9%
Total households	75 600	75 600
*Total number of households including informal settlements		

Households - Sanitation Service Delivery Level and Below Minimum		
	2017/2018	2016/2017
	No.	No.
Formal Settlements		
Total households	23 532	23 532
Households below minimum service level	50 109	50 109
Proportion of households below minimum service level	213%	213%
Informal Settlements		
Total households	1 959	1 959
Households below minimum service level	1 959	1 959
Proportion of households below minimum service level	100%	100%

The information below is as per the community survey.

Sanitation Service Delivery Level		
	2017/2018	2016/2017
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	3 024	4 371
Flush toilet (with septic tank)	3 686	4 371
Chemical toilet	880	880
Pit toilet (ventilated)	15 942	27 321
Other toilet provisions (above min.service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	23 532	36 943
<i>Minimum Service Level and Above Percentage</i>	31.1%	33.8%

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Sanitation/sewerage: (below minimum level)		
Bucket toilet	0	0
Other toilet provisions (below min.service level)	50 109	72 339
No toilet provisions	1 959	1 959
<i>Below Minimum Service Level sub-total</i>	52 068	74 298
<i>Below Minimum Service Level Percentage</i>	68.9%	67.9%
Total number of households	75 600	109 282

Household Sanitation Provision Level by Settlement Type		
Settlement Type	Below Minimum Service Level	Not Below Minimum Service Level
	No.	No.
Formal Settlements		
Total households	23 532	36 943
Households below minimum service level	50 109	74 298
Proportion of households below minimum service level	213%	49.7%
Informal Settlements		
Total households	1 959	1 959
Households ts below minimum service level	1 959	1 959
Proportion of households ts below minimum service level	100%	100%

EMPLOYMENT INFORMATION

Employment Distribution by Age Group					
Age Group	Employed	Unemployed	Unemployed (at risk of poverty)	Unemployed (at risk of poverty)	
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	7	7	7	0	0%
13 - 15	20	16	16	0	0%
Total	31	27	27	0	0%

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FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2014/15 AND 2015/2016 WATER AND SANITATION SERVICES

NOTE: Water and Sanitation using vote number 540

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Thembisile Hani Local Municipality has no license for Electricity on household connection and Eskom provides electricity at household level. The municipality is installing and maintaining high mast lights and street lights. The challenges faced in 2015/2016 were due to limited funding to install high mast lights, street lights and only energising of lights was done. The municipality have a total number of 290 high mast lights and 432 street lights.

The municipality used the IDP processes to identify communities living in poverty and sourced funding from government through established programmes to respond to the need for basic services by the communities that are living in poverty.

EMPLOYMENT INFORMATION

Employees: Engineering Services					
2014/2015	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
	Employee	Post	Employee	Warrant of Appointment	Warrant of Appointment
	No.	No.	No.	No.	%
3	0	0	1	1	0%
4 - 6	0	0	0	0	0%
7 - 9	6	2	0	0	50%
10 - 12		0			
13 - 15	3	1	1	0	0
Total	9	3	2	1	33.3%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

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FINANCIAL PERFORMANCE EXPENDITURE FOR 2014/2015 AND 2015/2016 FINANCIAL YEAR: ELECTRICITY SERVICE

VOTE	DETAILS	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
530	INTERGRATED ELECTRIFICATION GR	0	0		
530	SALARIES	726 800	196 689	547 914	316 917
530	BONUS	24 424	0	123 091	38 555
530	SALGBC	83	108	870	196
530	PENSION CONTRIBUTIONS	28 000	37 820	311 618	60 155
530	MEDICAL AID CONTRIBUTION	31 020	0	0	0
530	HOUSING SUBSIDIES	0	0	0	0
530	UIF CONTRIBUTION	1 600	2 007	14 771	3 409
530	OVERTIME	0	0	0	0
530	CELLPHONE ALLOWANCE	2 450	2 400	14 400	6 000
530	REP & MAINTENANCE-STREETLIGHTS	0	0	0	0
530	FREE BASIC ELECTRICITY	2 704 918	3 001 972	3 034 169	3 011 856
530	SKILLS DEVELOPMENT LEVY	1 300	1 860	14 771	3 425
530	MATERIALS AND SUPPLIES	1 902	1 901	300 000	200 271
530	EXPENDITURE ON GRANTS INKID	0	0	38 703 000	38 703 000

COMMENTS ON THE PERFORMANCE OF ELECTRICAL AND MECHANICAL ENGINEERING OVERALL

The electricity unit consist of only two artisan which makes it difficult for turnaround time on maintenance. There are two trainee student and two assistance of Genera workers to assist the unit temporarily, While we are looking at options on the organogram to adopt the well established maintenance team for electrical unit during the conming financial years depending on the financial status of the municipality.

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3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND CEMENTORIES)

INTRODUCTION TO WASTE MANAGEMENT

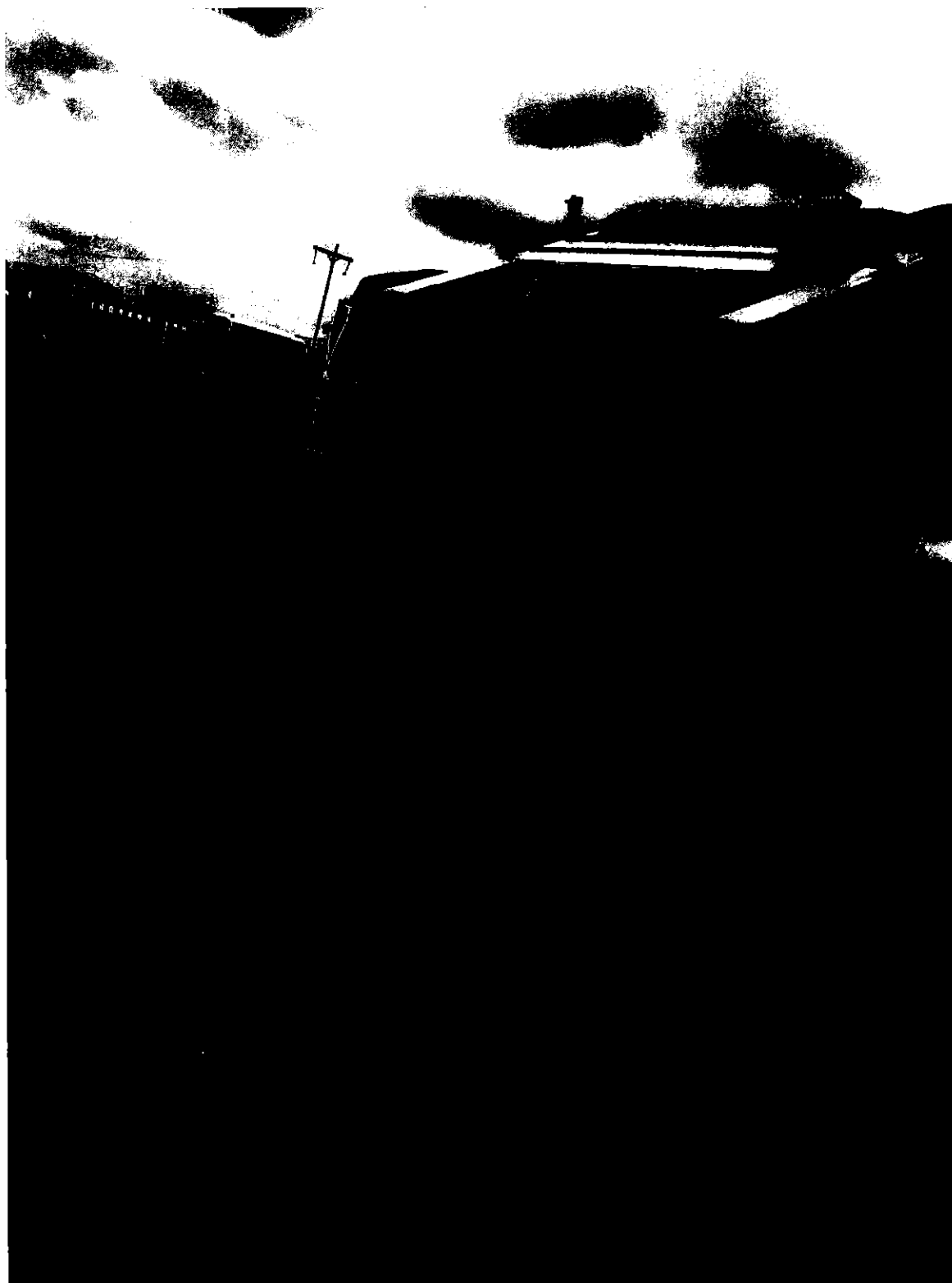
The Waste Management section's function is to provide an acceptable, affordable and sustainable waste collection to all the residents of Thembisile Hani Local Municipality.

Description of the activity:-

- Refuse removal
- Street cleansing
- Clearing of illegal dumping sites

Solid Waste Removal Performance			
Description of Activity	Frequency		
	Weekly	Monthly	Quarterly
	NA	NA	NA
Solid Waste Removal: (Minimum level)			
Removed at least fortnight	73387	66495	111595
Total number of households	73387	66495	111595

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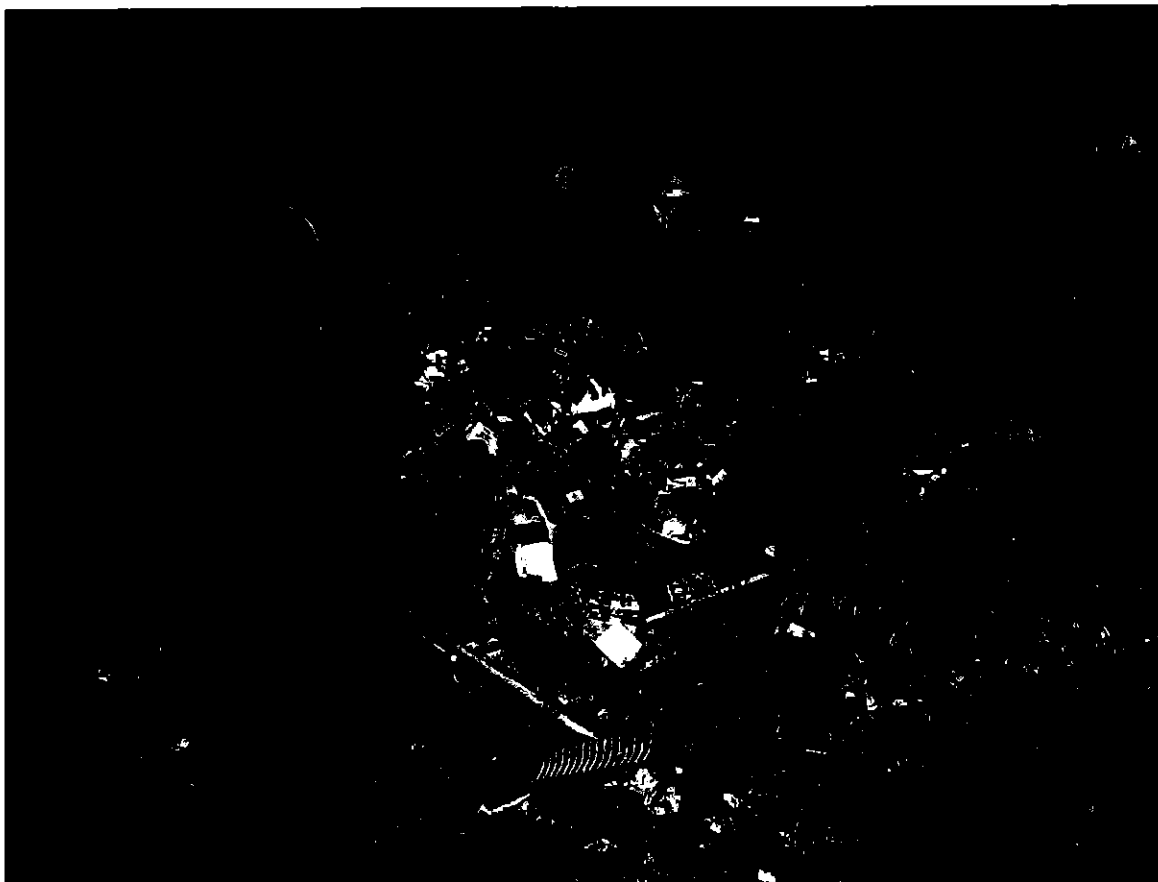
REFUSE REMOVAL

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STREET CLEANING

Chapter 3



CLEARING OF ILLEGAL DUMPING SITES

EMPLOYEE INFORMATION

2014/2015 Employees	2014/2015		2015/2016		
	Posts	Employees	Vacancies (full time equivalents)	Vacancies (full time equivalents)	%
No.	No.	No.	No.		
9	1	1	1	0	0%
28	0	1	0	1	100%
1	0	1	0	0	0%
0	18	16	16	0	0%
0	9	02	02	0	0%
18	28	20	19	1	05%

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FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR 2014/15 AND 2015/16 FINANCIAL YEAR: WASTE MANAGEMENT

VOTE	DETAILS	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
520	SALARIES			4 101 736	3 562 443
520	BONUS			296 728	285 046
520	SALGBC			1 913	1 863
520	PENSION CONTRIBUTIONS			712 813	673 391
520	MEDICAL AID CONTRIBUTION			242 620	207 116
520	HOUSING SUBSIDIES			0	0
520	UIF CONTRIBUTION			34 776	34 847
520	OVERTIME			0	0
520	CELLPHONE ALLOWANCE			23 400	23 400
520	REP & MAINTENANCE-STREETLIGHTS			0	6 000
520	FREE BASIC ELECTRICITY			3 034 169	0
520	SKILLS DEVELOPMENT LEVY			40 722	39 883
520	TRAVEL ALLOWANCE			60 000	60 000
520	PROVISION FOR LAND FILLSITE			100 000	-3 336 544
520	EPWP			3 117 000	3 117 000

COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

There are Expanded Public Works Programme projects in progress for cleaning the environment that will be registered as projects at the Department of Public Works. 100 workers were appointed under this programme in 2015/16 financial year.

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3.5 HOUSING

INTRODUCTION TO HUMAN SETTLEMENTS

To accelerate housing delivery through efficient and effective management and quality service delivery as well as through integrated and collective sustainable housing programmes. Our priority is to eradicate informal Settlements and give our communities a dignity they deserve as contained in the Constitution of the Republic of South Africa.

Year	Target	Actual	Completion %	Target	Completion %
2011/12	90000	75345	90%	14655	60%
2012/13	92500	75345	90%	17155	60%
2013/14	102500	75345	90%	27155	60%
2014/15	109600	75345	90%	34255	60%

EMPLOYEE INFORMATION

Employees: Human Settlements Services (excluding townships)					
	2014/2015		2013/2014		
	Employment	Posts	Employment	Vacancies (full-time equivalent)	Vacancies (part-time equivalent)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	5	5	5	0	0%

COMMENTS ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

The Thembisile Hani Local Municipality had no housing projects allocated on the IDP. The housing project was implemented by the Provincial Department of Human Settlements. The Municipality perform the function to register housing needs register, identify and allocate beneficiaries for housing subsidies. There are Expanded Public Works Programme projects in progress

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for cleaning the environment that will be registered as projects at the Department of Public Works. 100 workers were appointed under this programme in 2015/16 financial year.

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3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

- The Council accepts that they are responsible for the rendering of services in terms of schedules 4 and 5 of the Constitution as well as other services which may be delegated by National and Provincial Government.
- Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. A portion of this income (equitable share) is earmarked for indigent relief which will be used to alleviate and address poverty
- The municipality gives 6kl in respect of water to all our residential clients and we do not have an approved indigent register wherein we can make projections with regard to spending, billing etc.
- There is a portion of money paid over to Eskom on behalf of our clients for the 50kw of electricity provided to each household

CHALLENGES:

- No indigent register in place

COMPONENT B: ROAD TRANSPORT

3.7 ROADS AND STORM WATER

The Municipal road network which serves as feeder roads to national road known as Moloto road R573, forms the backbone of our transportation system, making it possible to access both personal and economic needs within its jurisdiction and to meet the mobility and socio-economic needs of the communities. As the responsible Roads Authority for the construction and operations maintenance of the Municipal road network, Thembisile Hani Local Municipality has ensured that its strategic planning processes are in line with the municipal acts e.g. DoRA, which provide guidance to the allocated funds within the Municipalities. Therefore the Municipality achieved its road planning strategy by entirely depending on the allocated Municipal Infrastructure grants (MIG) and its operational and maintenance funds. Major success in some villages of THLM, has been noticed through the work done by the municipal maintenance teams and by the District Municipality. The challenges faced by the Municipality during 2015/16 FY, was mainly insufficient budget on both construction and maintenance due to the reprioritization of budget to cater water projects, insufficient resources and collection of revenue. In order to improve performance, the Municipality drafted a programme of action, and made sure that resources are utilized efficiently and effectively so. During this period, assistance was also received from Nkangala District Municipality.

Gravel road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded or maintained
2013/2014	814	86.5km	14.8	0
2014/2015	814	41.16km	4.05	46.8
2015/2016	967.37	88km	0km	2.2km

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Approved Road Maintenance Summary					
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
2013/2014	95.48km	14.8km	0km	0km	
2014/2015	95.48km	4.05km	0km	0km	
2015/2016	95.48km	0km	0km	0km	12 roads maintained

EMPLOYEE INFORMATION

Employee Road and Stormwater					
Job Level	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	30	27	25	2	4%
13 - 15	21	24	22	2	19%
Total	54	54	50	4	7.4%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2014/2015 AND 2015/2016: ROAD AND STORM WATER

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
550	SALARIES	3 182 068	3 182 181	8 031 287	7 340 318
550	BONUS	341 226	265 148	676 840	619 219
550	SALGBC	2 977	1 953	4 872	4 408
550	ACTING ALLOWANCE	0	0	44 026	45 049
550	OVERTIME	0	0	0	0

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550	PENSION CONTRIBUTIONS	664 000	663 356	1 652 583	1 491 099
550	MEDICAL AID CONTRIBUTION	230 000	242 768	585 531	504 722
550	HOUSING SUBSIDIES	0	0	5 496	2 748
550	UIF CONTRIBUTION	34 000	33 964	81 633	75 090
550	CELLPHONE ALLOWANCES	9 900	19 200	33 000	31 200
550	REPAIRS & MAINT OF STORM WATER	0	0	0	0
550	REHABILITATION OF BORROWPITS	0	0	0	0
550	MAINTENANCE OF BORROWPITS	0	0	0	0
550	REPAIRS OF MICHINERY & EQUIP	0	0	0	0
550	SKILLS DEVELOPMENT LEVY	36 000	34 703	80 856	80 474
550	MATERIALS AND SUPPLIES	0	0	600 000	755 717
550	APPLICATION & REG FOR BORROW P	0	0	0	0
550	TESTING OF MATERIALS	0	0	0	0
550	DEVELOPMENT OF SACTOR PLANS	0	0	0	0
550	SUBSISTANCE ALL	0	0	0	3 326
550	MACHINERY AND EQUIPMENT	0	0	0	0
550	SEWERAGE	0	0		

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3.8 BUSINESS LICENCING AND ADMINISTRATION

INTRODUCTION TO LICENCING

The municipality administers and manages business operations within its jurisdiction – specifically in the following categories; sale or supply of meals or perishable foodstuffs, provision of certain types of health facilities or entertainment, and hawking in meals or perishable foodstuffs in terms of Mpumalanga Business Act, no 2 of 1996.

Working Relationships

The Environmental Health Practitioners under the Department of Health, acting on behalf of the District Municipality, together with Municipal staff perform environmental health inspections prior to issuing of licences for purpose of compliance with standards for business buildings.

The Municipality inspects applications for liquor licences to comment on compliance issues related to land-use management and operating times.

COMMENT ON BUSINESS LICENCING AND ADMINISTRATION PERFORMANCE OVERALL

The Municipality has approved Street Trading By-law during 2012/2013 financial year. 120 business trading licences were processed during the year under review.

EMPLOYEE INFORMATION

Employee's Business Licensing and Administration					
Subcategory	2012/2013 Employees	2013/2014			
	No.	No.	No.	Warranties (additional compliance)	Warranties (additional compliance)
				No.	%
3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	0%

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3.9 SAFETY AND SECURITY (TRAFFIC LAW ENFORCEMENT AND LICENCING)

Introduction

According to schedule 4 Part B and schedule 5 Part B of the Constitution municipal public transport and traffic policing is the competency of the municipality.

A brief background of the Municipal traffic

The Traffic department operates with 18 Traffic Officers – namely; 2 senior superintendents, 2 assistant superintendents, 2 superintendents, 12 traffic officers.

AARTO implementation

The roll out of the Administrative Adjudication of the Road Traffic Offences Act has been approved by the council under item number: TH/NDC 37/08/2011.

COMMENT ON SAFETY AND SECURITY PERFORMANCE OVERALL

i) Monthly Joint Security Cluster plenary meetings:

The Traffic department attends monthly joint security cluster meetings - 11 Joint Security Cluster plenary meetings conducted

ii) Case flow meetings :

The traffic department attends monthly meeting to ensure smooth running of cases at courts.

iii) Joint police and traffic operations:

The traffic department does ongoing operations with other law enforcement agencies in the municipality.

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EMPLOYEE INFORMATION

EMPLOYEE INFORMATION					
	2014/2015	2014/2015	2014/2015	2014/2015	2014/2015
	Employees	Non-Employees	Employees	Non-Employees	Non-Employees
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	9	14	9	5	36%
7 - 9	2	8	4	4	50%
10 - 12	42	38	30	8	21%
13 - 15	4	4	4	0	0%
Total	57	65	48	17	26%

FINANCIAL PERFORMANCE EXPENDITURE 2014/2015 AND 2015/2016 FINANCIAL YEAR: TRAFFIC SERVICES

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
108	SALARIES	3 000 471	3 000 191	8 521 222	8 300 850
108	BONUS	167 602	250 016	711 289	692 326
108	SALGBC	1 500	1 383	4 263	4 067
108	ACTING ALLOWANCE	0		0	0
108	OVERTIME	0		0	0
108	PENSION CONTRIBUTIONS	650 000	642 457	1 738 088	1 689 040
108	MEDICAL AID CONTRIBUTIONS	300 000	310 616	1 209 547	968 451
108	HOUSING SUBSIDIES	16 488	16 488	24 732	27 870

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108	UIF CONTRIBUTIONS	27 983	27 973	85 355	79 260
108	STANDBY/SHIFT ALLOWANCE	0	0	0	0
108	CELLPHONE ALLOWANCES	0	0	6 000	13 800
108	PRINTING AND STATIONERY	0	0	0	0
108	SKILLS DEVELOPMENT LEVY	32 557	79 010	85 355	95 016
108	MATERIALS AND SUPPLIES	0	0	0	0
108	SUBSISTANCE AND TRAVELLING	0	0	0	10 800
108	ACCOMODATION AND MEALS	0	0	0	0
108	ARMS AND AMMUNITION	0	0	0	0
108	SECURITY	0	0	11 452 150	11 447 813

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COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING INCLUDING TOWN-PLANNING

INTRODUCTION TO PLANNING

High Proportion of Land use management Application	<ul style="list-style-type: none"> Delays in turn around time in terms of finalising applications.
Availability of developable land within THLM	<ul style="list-style-type: none"> Most of the land is vested to National and Provincial governments. Land invasion is perpetuated allegedly by tribal formations.

SERVICE STATISTICS FOR PLANNING

Development Planning and Building Control

EMPLOYEE INFORMATION

Employees: Town Planning Services					
Job Level	2014/2015	Post	2015/2016	Vacancies (full time equivalent)	Variance (as % of total posts)
	Employee No.		Employee No.		
3	0		0	0	0%
4 - 6	4	1	1	0	0%
7 - 9	1	1	0	1	50%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	5	2	1	0	50%

COMMENT ON TOWN PLANNING PERFORMANCE OVERALL

Nkangala District Municipality has appointed Sisonke Development Planners to facilitate a process of state land release on portion 1, 4 and 5 Vlagklaagte 221JR; other town planning activities are conducted in Mahlabathini, Viaklaagteview, Gembokspruit Ext.1, Gemboksfontein 199JR, Tweefontein F township, Kwaggafontein B and Tweefontein A.

Department of Rural Development and Land Reform is currently assisting the Municipality to develop Land Use By-law.

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3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The performance by the LED unit is 67% for the 2015/2016 financial year. Performance has declined from 80% in 2014/2015 financial year. The LED unit also managed to establish Local Economic Development (LED) forum with five working groups (sub-committees. These are:

- Transport and logistics
- SMME's and Cooperatives development
- Infrastructure and spatial Development
- Rural Development, Agriculture and Tourism
- Industrialization, mining and manufacturing

These working groups play a pivotal role in shaping the agenda of the larger forum and reports to council

LED STRATEGY

With the assistance of the University of Johannesburg (UJ), the Local Economic Development (LED) strategy has been developed and adopted by council. This has been the most participatory programme by local SMME's, Cooperatives, Sector departments and potential investors. Inputs by stakeholders was enormous and second to none.

COOPERATIVE AND SMMEs DEVELOPMENT

The LED Unit arranged a number of trainings for the cooperatives and SMME's. The unit invited and collaborated with a number of Sector Departments (DEDET, Department of Rural Development and Land Reform, Nkangala District Municipality and some Parastatals, ESKOM, Productivity SA with SASSETA). In addition, the unit met with Sector Departments, South African Bureau of Standard (SABS), Textile Manufacturers and local schools circuit managers with a view to assisting local manufacturers establish a market for their products. In all, the Unit facilitated the trainings of 20 SMME's and cooperatives. They were trained in:

- Financial management
- Business management,
- Corporate management &
- business start up

OUTREACH MEETINGS

The Unit hosted 4 outreach meetings in different zones of the municipality. These were held at:

- Kwaggafontein community Hall
- Vezubuhle Hall and
- Phola community Hall

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CREATION OF JOB OPPORTUNITIES THROUGH THE CWP

The LED Unit coordinated the creation of 1320 job opportunities through Community Works Programme (CWP).

JOBS CREATED

DESCRIPTION	Number of Jobs Created	
	2014/2015	2015/2016
Community Work Program	1124	1100
EPWP	270	130
MRTT	90	90

EMPLOYMENT INFORMATION

Job Level	2014/2015 Employees	2014/2015 No.	2015/2016 Employees	2015/2016 No.	Variance (Full Time Equivalent)	Variance (Part Time Equivalent)
	No.	No.	No.	No.	No.	%
3	1	1	1	0	0	0%
4 - 6	1	1	1	0	0	0%
7 - 9	1	1	1	0	0	0%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
Total	3	3	3	0	0	0%

FINANCIAL PERFORMANCE EXPENDITURE 2014/2015 AND 2015/2016: LED (INCLUDE IDP AND PMS)

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
103	SALARIES	0	0	2 335 188	2 333 178
103	BONUS	0	0	149 531	194 546
103	SALGBC	0	0	435	696
103	PENSION CONTRIBUTIONS	0	0	404 602	404 603

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103	MEDICAL AID CONTRIBUTION	0	0	166 362	169 643
103	UIF CONTRIBUTION	0	0	16 130	14 277
103	CELLPHONE ALLOWANCES	0	0	18 000	18 000
103	TRAVEL ALLOWANCE	0	0	120 000	120 000
103	SUBSISTANCE ALLOWANCE	00	0	43 967	12 901
103	TOWN PLANNING	0	0	450 000	47 723
103	LED PLAN	0	0	42 166	33 051
103	SKILLS LEVY	0	0	18 130	27 053

3.12 STRATEGIC PLANNING AND REGULATORY (INCLUDING PMS, IDP, INTERNAL AUDIT AND OFFICE OF THE MUNICIPAL MANAGER)

In today's organisational environment, budget oriented planning or forecast methods are insufficient for the organisation to prosper. There is a need to engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes orientated goals and objectives against which the municipality's medium-term results can be measured and evaluated by various identified stakeholders. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

As a component of its strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems which will produce credible, accurate information on an on-going basis that gets used to improve service delivery and governance.

INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY

Currently the department comprises the following units:

IDP Unit

Integrated development planning is a **process** through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a **product** of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

In terms of the Municipal Systems Act, 2000, (Systems Act) the chairperson of the executive committee or executive mayor or the chairperson of the committee of appointed councillors has the responsibility to manage the drafting of the IDP or to assign this responsibility to the municipal manager. The municipal manager is responsible for the implementation and monitoring of the IDP process.

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Thembisile Hani local Municipality has an IDP unit, under the office of the Municipal Manager on its organisational structure. The key functions of the Unit are as follows:

- Providing inputs with regard to the development of the municipal vision and strategy
- Ensures implementation and the productive execution of the Municipal Vision.
- Compiling reports on divisional activities and progress in terms of action plans for consideration by Municipal Manager and Council.
- Representing the Municipality in multi-sectoral functions such as Spatial Planning, Local Economic Development, Infrastructure Planning and Development forums and functions.
- Participate and represent the Municipality in the Districts IDP Technical Committee.
- Representing the Municipality in local, district and provincial public meetings and committees by making presentations, providing strategic inputs, communicating information in order to ensure participation.
- Manage administrative and organizational support for the coordination of IDP related activities.
- Preparing and communicating the Process Plan to ensure the understanding of the roles and responsibilities of all stakeholders.
- Manage development and review of the IDP and ensure the integration of the IDP/PMS/Budget in terms of statutes.

Office Structure

The IDP office is located within the office of the Municipal Manager. The following is a representation of positions in the IDP Office as indicated on the 15/16 Organisational Structure.

Level	Position	Status 2015/2016
3	Assistant Manager IDP	Filled
4	IDP Coordinator	Filled

COMMENT ON IDP PERFORMANCE OVERALL

Overall Comment

The IDP unit is understaffed and requires at least two coordinators to support the Assistant Manager. This further makes it difficult to adhere to set timeframes and complete the required phases on time. The Municipality also has financial problems and cannot adequately provide for a budget aimed at the facilitation of stakeholder engagement meetings and workshops. There are also inadequate sector planning to support the various chapters of the IDP, this further frustrates priority setting and informed planning.

Performance Management Unit

The objective of Performance Management is to improve the performance of the municipality as guided by the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). Performance Management is the central management tool which assist the Council to improve service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensure that the municipality achieves its strategic objectives.

It is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. The PMS will therefore ensure that all leaders, managers and individuals in the municipality is held accountable for their actions, which should bring about improved service delivery and value for money.

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COMMENT ON PMS PERFORMANCE OVERALL

The performance Management Unit (PMS) consists of one person which is Assistant Manager reporting to the Municipal Manager. The Unit is fully functional. All the 2015/2016 quarterly performance reports are in place and also audited by our internal audit unit. The 2015/2016 PMS policy framework adopted by Council on 30th June 2015.

Internal Audit Unit

Internal Audit is an independent function established within the Municipality to examine and evaluate the Municipalities activities. The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.

The objective of Internal Audit is to assist the Accounting Officer and the Audit Committee in the effective discharge of their responsibilities; internal audit will provide them with independent analysis, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view of improving accountability and performance.

INTERNAL AUDIT RESPONSIBILITIES

THLM Internal Audit Unit draws its mandate from the MFMA Section 165, standards for the professional practice of internal auditing and the internal audit charter approved by the audit committee. We further make reference to King Report on Corporate Governance (King III) customized into local government environment.

MFMA Section 165(2) states that the internal audit unit of a municipality must:

- Prepare a risk-based audit plan and an internal audit program for each financial year;
- Advise the Accounting Officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to-
 - internal audit;
 - internal controls;
 - accounting procedures and practices;
 - risk and risk management;
 - performance management;
 - loss control; and
 - compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- Perform such other duties as may be assigned to it by the accounting officer.

When executing its responsibilities, THLM Internal Audit Unit follows the standards for the professional practice of internal auditing.

According to the Institute of Internal Auditors ("IIA") internal auditing is defined as *"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."*

EMPLOYEE INFORMATION

COUNCIL-APPROVED INTERNAL AUDIT UNIT STRUCTURE

LEVEL	POST	2015/16
3	Chief Internal Auditor	Filled
4	Internal Auditor	Filled

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4	Internal Auditor	Filled
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COMMENT ON INTERNAL AUDIT PERFORMANCE OVERALL

THLM Internal Audit Unit performed its 2014/2015 operations as per the Risk-based Internal Audit Plan approved by the Audit Committee for the financial year. According to the plan, the unit had eighteen (18) planned audits and with the support from Nkangala District Municipality, all the audits were executed. Management further referred thirteen (13) ad-hoc requests to the unit and they were executed.

As required by the MFMA, both the Accounting Officer and the Audit Committee were kept abreast of identified significant findings pertaining to internal controls; accounting procedures and practices; risk and risk management; performance management; loss control; and compliance with acts relevant to the municipality through submission of audit reports. Progress reports on implementation of the Internal Audit Plan were also submitted.

Communication

OBJECTIVE

The main objective of this unit is to ensure effective communication internally and externally. In order for the municipality to be able to realise our vision "to better the lives of our people through equitable and sustainable service delivery" we need to work together. It is the constitutional right for the community to know what is happening in their municipality this unit is there to close the gap between the municipality and its stakeholders by communicating municipal issues to the stakeholders.

EMPLOYMENT INFORMATION

Employee: Local Economic Development Services					
Job level	2014/2015	2015/2016	Employee	2014/2015	2015/2016
	No.	No.		No.	%
3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	1	1	1	0	0%

COMMENT ON COMMUNICATION PERFORMANCE OVERALL

In our quest to ensure effective communication we have had four radio slots at IKwekwezi FM where the municipality was reporting on progress through the Executive Mayor, Municipal Manager. In these slots the listeners who are residents of Thembisile Hani Local Municipality are given an opportunity to ask questions to the municipal representatives with regards to service delivery in Thembisile Hani Local Municipality. We also had constant interviews with Moutse Community Radio Station (MCRS) through the Head of Communication updating the public about programmes of the municipality. The unit has organised a media breakfast session where the Executive Mayor would interact with our media stakeholders on service delivery issues. In future we intend to have these kind of engagements on a quarterly basis. The unit issues public notices for

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the community on Ikwekwezi FM, MCRS and Nkangala Community Radio Station and on the municipal notice boards that are mounted in our municipal buildings. We also issue media statements when there are issues that need to be communicated or clarified by the municipality. We have also embarked on Social media as it is currently growing as technology in advancing. Our facebook page is active and it is updated as and when there is a need.

FINANCIAL PERFORMANCE EXPENDITURE FOR 2014/16: MUNICIPAL MANAGER'S OFFICE (INTERNAL AUDIT, RISK MANAGEMENT, YOUTH DEVELOPMENT AND OTHER UNITS)

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
102	SALARIES	7 120 850	6 334 307	7 263 619	7 419 533
102	BONUS	383 949	423 086	605 302	488 804
102	SALGBC	1 600	1 403	1 914	1 958
102	ACTING ALLOWANCE	0		3 111	3 111
102	PENSION CONTRIBUTIONS	702 000	679 307	913 559	903 576
102	MEDICAL AID CONTRIBUTIONS	410 894	367 958	451 595	444 237
102	HOUSING SUBSIDIES	0		0	0
102	U I F CONTRIBUTIONS	42 744	31 317	62 163	40 424
102	OVERTIME	0		62 278	0
102	TRAVEL ALLOWANCES	678 000	663 000	618 000	579 000
102	CELLPHONE ALLOWANCES	114 600	113 700	110 400	117 150
102	MEMBERSHIP FEES	0	0	3 350	4 058
102	DEPUTATION COSTS	0	0	0	0
102	PRINTING AND STATIONERY	0		0	0
102	SKILLS DEVELOPMENT LEVY	80 212	75 035	60 379	87 686
102	ENTERTAINMENT	0	0	0	0
102	TRAVELLING AND SUBSISTANCE	100 000	106 119	115 000	189 692
102	ACCOMODATION AND MEALS	33 536	30 978	55 000	49 817
102	INTERNAL AUDIT	0	0	0	0
102	YOUTH DEVELOPMENT PROGRAMMES	0	0	0	0
102	RISK MANAGEMENT	0	0	0	0
102	INTERNAL AUDIT SOFTWARE	0	0	100 000	88 117

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102	PROVISION FOR LEAVE	0	0	5 630 223	1 142 898
102	PROVISION FOR BONUS	0	0	3 483 828	- 224 301

COMMENT ON STRATEGIC PLANNING PERFORMANCE OVERALL

The department of Municipal Manager does not dispose over any capital projects and functions mainly focus on compliance with various Acts and regulations.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries; sports, art & culture, community halls; a child care; aged care; social programmes, gender.

3.13 LIBRARIES, EDUCATION, COMMUNITY FACILITIES AND SPORTS,CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO LIBRARIES AND OTHERS

LIBRARIES

The municipal library services play a very important role in the work, education, and culture. The services that the libraries provide help people to carry out their work, studies and leisure time activities. Librarians assist anyone who needs assistance in finding information from books, encyclopedias, Encarta, pamphlets, periodicals and internet to meet their needs.

Community members take part in special programs and events in the library section, e.g., school projects, storytelling, reading clubs, etc.

Service Objectives	Service Targets	2012/13	2013/14	2014/15	2015/16
-Library Campaigns		-Heritage and Literacy Month (Thembisile Library & Phumula Library) -World-Book Day (Phumula Library.	-Library Week at Verena -Mandela Day by Thembisile (Asakhane Creche)	-Literacy Campaign conducted (Lopspruit Library) -Library Week Campaign. conducted	-Library Marketing event at Phumula library -Library Week Campaign at Thembisile Library. -Youth Month Celebration at Boukenhouhoek

Chapter 3

					Library.
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Thembisile Hani Local Municipality - Annual Performance Report 2015/16					
Library Services Performance					
Category	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	2	2	0	0%
7 - 9	1	5	5	0	0%
10 - 12	0	7	7	0	0%
13 - 15	0	48	45	3	6.25%
Total	3	63	60	3	5%

COMMENT ON LIBRARY SERVICES PERFORMANCE OVERALL

-Library marketing event was conducted at Phumula Library on the 29 October 2015. The MEC of the Department of Culture, Sport and Recreation and the Department officials were part of the event. Schools in Tweefontein Circuit were invited.

-National library week campaign was held at Thembisile Hani (Kwaggafontein) Public library on the 17 March 2016. Learners and teachers were invited from the following institutions: Ematjeni Primary School, Sindawonye Senior phase School, Mgwezane Combined School, Tandanani creche, Mgwezane Edu-care and Asakhane Day Care. The Department of Culture, Sport and Recreation provided promotional material for both events.

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SOCIAL DEVELOPMENT SERVICES 2015/16

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
107	SALARIES	17 100 000	17 077 119	3 212 553	3 100 818
107	BONUS	1 266 000	1 316 324	367 960	193 777
107	SALGBC	9 150	9 029	1 305	957
107	ACTING ALLOWANCE	0		70 000	58 255
107	PENSION CONTRIBUTIONS	3 400 000	3 333 461	600 826	511 410
107	MEDICAL AID CONTRIBUTIONS	1 400 000	1 382 669	222 042	202 078
107	HOUSING SUBSIDIES	8 244	8 244	0	0
107	U I F CONTRIBUTIONS	169 728	162 495	39 347	19 492
107	W C C CONTRIBUTIONS	0	0	0	0

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107	OVERTIME	100 000	124 555	0	0
107	TRAVEL ALLOWANCES	324 000	324 000	264 000	264 000
107	CELLPHONE ALLOWANCES	367 000	66 000	48 000	37 800
107	PRINTING AND STATIONERY	0	0	0	0
107	SKILLS DEVELOPMENT LEVY	191 000	190 146	37 347	36 388
107	LICENCES	0	0	0	0
107	ENTERTAINMENT	0	0	0	0
107	TRAVELLING AND SUBSISTANCE	58 152	94 152	67 785	25 649
107	ACCOMODATION AND MEALS	16 637	16 637	0	0
107	SECURITY	8 128 782	10 543 933	11 452 150	11 447 8123
107	SALGA COMMUNITY GAMES	0	0	0	0
107	TRAFFIC OFFICERS UNIFORM	0	0	0	0
107	LAND AUDIT	0	0	0	0
107	FEASIBILITY STUDY - SURVEY	0	0	0	0
107	EMERGENCY RELIEF CAMPAIGN	0	0	0	0
107	WOMEN & GENDER PROGRAMME	0	0	0	0
107	TRANSPORT FORUM ACTIVITIES	0	0	0	0
107	OFFICE MACHINES	0	0	0	0
	INTERNAL WOMENS DAY	0	0	0	0
	TOWN PLANNING COSTS	0	0	0	0
	LOCAL COUNCIL AID	0	0	0	0
	CAMPAIGN	0	0	0	0

COMMENTS ON THE PERFORMANCE OF LIBRARIES, SPORTS AND OTHERS OVERALL

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The municipality graded twenty five (25) sports field during 2014/2015 financial year. Bookings of facilities are on record for the hiring of these facilities

Several successful events were held:-

- Library week

INTRODUCTION TO CEMETERIES & CREMATORIALS

Currently the municipality has fourty cemeteries are maintained around the durisdiction. The community in the rest of the incorporated areas in the Thembisile Hani Local municipality area utilise the cemeteries in the nearest vicinity. The service delivery priorities are to provide and maintain cemeteries, to continuously update and keeping record of cemetery registers now captured on electronic database, to plan and development of future cemeteries to ensure that sufficient space is available and to maintain and upgrading the existing equipment, system and procedures to ensure a quality service to the community. EPWP projects was introduced to number clean cemeteries and through that, local people were employed.

CREMATORIALS

Crematoriums not applicable to Thembisile Hani Local Municipality.

There are no municipal entities entities rendering pollution control and Bio Diversity.

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3.14 HEALTH AND WELFARE

There is only one community hospital in the sub-region, KwaMhlanga hospital. There are Six Community Health Centres (CHC) namely

- Kwaggafontein CHC
- Buhlebesizwe CHC
- Verena CHC
- Moloto CHC
- Thembaletu CHC
- KwaMhlanga CHC

There are fifteen clinics: namely

- Zithabiseni Clinic
- Goederede Clinic
- Mzimuhle Clinic
- Mathyszensloop Clinic
- Kwaggafontein "A" Clinic
- Tweefontein "A" Clinic
- Tweefontein 'C' Clinic
- Tweefontein 'D' Clinic
- Tweefontein 'H' Clinic
- Veterinary Clinic KwaFene
- Tweefontein 'M' Clinic
- Empilweni Clinic
- Kameelpoortnek Clinic
- Kwamhlanga Clinic
- Vriesgewacht Clinic
- Vlaklaagte No.1 Clinic

The municipality needs to strengthen the HIV/AIDS awareness campaign in its area of jurisdiction to minimise the infection rate. The high unemployment rate and the lack of skills creates poverty and increases the demand for social grants provision by government.

COMMENT ON HEALTH SERVICES PERFORMANCE OVERALL

The Health Service Unit consist of one person who is Coordinator, reporting to the Manager Social Development Service. The Unit is fully functional. The municipality conducted dialogues, HIV Counselling and Testing (HCT) campaigns and training to support and reduce the impact of the HIV/ AIDS on individuals, family community and society by expanding access to appropriate treatment, adhere care and support in accordance to NSP/ PSP by 2012 -2016. The municipality conducted 5 HIV/AIDS related campaigns and 2 HIV/AIDS related training in 2015-16 financial year.

Cooperatives Support Progress

- The unit engages on assisting women and persons with disability to register cooperatives

National Women's Day Celebration

Chapter 3

The national women's day celebration was held on 17 September 2014 at the Council Chamber.

Disability Day Celebration

The municipality conducted awareness on mainstreaming disability issues on the 24 October 2014 at Kwaggafontein Hall

FINANCIAL PERFORMANCE 2013/14 AND 2014/15: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with Libraries under Vote 107: social development services.

COMPONENT 2: HEALTH AND ENVIRONMENTAL PROTECTION

3.15 HEALTH INSPECTION OF PREMISE AND BUSINESS FOR LICENCING

Environmental Health Services continued to be provided without funding from National Treasury. With a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the National Health Act, No. 61 of 2003 were carried out but not fully to ensure effective and efficient service delivery within the areas of Thembisile.

The service delivery priorities focused on water quality monitoring, food quality and safety, health surveillance of premises and vector control. However the departmental of Technical Services was used for the monitoring of water quality.

COMMENT ON HEALTH INSPECTION AND ENVIRONMENTAL HEALTH PERFORMANCE OVERALL

The municipal conducted twelve (12) business inspections in six (6) villages. Routine business inspections were conducted by the Environmental Health Practitioner.

Employment in health protection (environmental health)					
Job level	2013/14	2014/15	Employment	Vacancies (fulltime equivalent)	Vacancies (as a % of total jobs)
	No.	No.			
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	1	1	1	0	0%

POLLUTION CONTROL AND BIO DIVERSITY; LANDSCAPE

Pollution control, Bio Diversity and Landscape are not applicable to Thembisile Hani Local Municipality

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3.16 DISASTER MANAGEMENT

INTRODUCTION

The municipality has a disaster management plan and plays a role in mobilizing a multi sectoral presentation respond to fire and other disaster are in the municipality.

Strategies

- To ensure effective policing and access to emergency services.
- To promote inter-governmental relations.
- To develop disaster management plan.
- Development of risk management plan.

COMMENT ON DISASTER MANAGEMENT PERFORMANCE OVERALL

The municipality has one official dealing with disaster management.

EMPLOYEE INFORMATION

Employee Disaster Management					
Interval	2012/2013 Employee	2013/2014			
	No.	No.	No.	Wanted (full time employee)	Wanted (part time employee)
3	0	0	0	0	0%
4 - 6	0	0	0	1	100%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
Total	1	1	1	1	0%

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TRANSVERSAL

INTRODUCTION

The special programmes unit in the office of the manager SDS, (which comprises four sub-programmes: Issues on the status of women, Issues on the status of persons with Disability Issues on the rights of a child and issues on Elderly) is amongst others mandated to monitor and evaluate mainstreaming of gender equality and women empowerment, rights of persons with Disability, Elderly and rights of children into programmes of the Municipality. The core functions of special programmes unit are: Advocacy, capacity building, policy analysis, research, monitoring and evaluation.

Strategies

- Guide the Municipality in developing appropriate programmes.
- Provide strategic interventions to facilitate gender policy implementation in the Municipality.
- Promote the integration of gender equity and equality, and women, persons with disability, Elderly and children empowerment in the Municipality development programmes and service delivery
- Raise awareness on the constitutional and development roles and responsibilities of municipal department stake holders as development agents.
- Alert stakeholders of the Municipality about the gender implications of their work.
- Contribute to the development of the performance systems by introducing gender-sensitive indicators

COMMENT ON TRANSVERSAL PERFORMANCE OVERALL

The municipality has two junior official dealing with special programmes.

EMPLOYEE INFORMATION

Employee detail management					
Job Level	2014/2015	Boards	2015/2016	Vacancies (fulltime equivalent)	Vacancies (part-time equivalent)
	No.		No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	1	50%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	1	0%
Total	2	2	2	2	50%

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Employment and Training					
Awareness campaign	25 Dignitary packs distributed to Albinism People and self-esteem was build amongst them	-			Albinism awareness campaign June 2016
Awareness campaign	Children rights and responsibility were clearly explained to the kids	-			Child Protection week 05 June 2016
Seminar	150 Disabled people attended the seminar	-			Entrepreneur seminar for people with disability 22 October 2015
Awards ceremonies	Five women projects of Thembisile won the wards and the overall winner	-			Women builders awards 27 August 2015
Mandela day celebration	100 pumpers donated to the centre, planting of vegetables, and cleaning of the centre	-			Mandela day celebration 17 July 2015
Mandela day celebration	Food security and groceries for the Tholulwazi disability centre				Mandela Day 22 July 2015
Mandela day celebration	5 old aged people benefited Walking sticks and 6 Disability people benefited wheel chairs	-			Mandela Day celebration 23 July 2015
Job Readiness for people with disability	Registering people with disability in the data base of Department of Labour for employment			Job Readiness for people with disability 24 October 2014	

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Source Donations for Orphans	clothing toiletries donated orphans	and were for			Donation for orphans May 2015	
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FINANCIAL PERFORMANCE 2014/15 AND 2015/16: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with Libraries under Vote 107: social development services.

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COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that the municipality comprise of Councillors, Officials and the Community. In order for the municipality to govern its affairs correctly it must consult with the Community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes. Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address the service delivery matters the municipality must approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address matters of staff and this can only be achieved through the costed organogram that must be cost effective but also provide sufficient managerial and other positions in order to be able to render effective and satisfactory delivery of services.

Management must ensure that tools of trade are made available to the staff. This will include ICT services and networks including the necessary licenses. In order for the municipality to finance the service delivery issues it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. The payment for services will be covered by the payments for rates and taxes and will include proper and sufficient municipal service delivery networks like water pipes and reservoirs as well as sewer and electrical (street lights and high mast lights) networks and plant and equipment.

3.17 EXECUTIVE AND COUNCIL

This component includes: Executive office (Executive mayor; councilors; and Public Participation).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 1996, the Executive and Legislative authority of a municipality is vested in its Municipal Council.

The Municipal Council of the Thembisile Hani Local Municipality is established as a municipality with a Mayoral Committee System which is combined with a ward participatory system in terms of chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution spells out categorically clear, the objectives of Local Government and the powers and functions of municipalities are determined in section 156 of the Constitution.

The executive authority of the Council is vested with the Executive Mayor who must however report to Council and is assisted by the members of the Mayoral Committee established by the Executive Mayor and can take decision. However there are certain matters on which the Executive Mayor as the Head of the municipality cannot take decisions i.e. the approval of the Budget, IDP and By-Laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated to the Executive Mayor by Council who will in turn also sub-delegate to the Municipal Manager. The Municipal Manager may also sub-delegate to Managers who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government:

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- (a) to provide democratic and accountable government for local communities
- (b) to ensure the provision of services to communities in a sustainable manner
- (c) to promote social and economic development

In order to ensure sustainable service delivery to the community's council sets the top three service delivery priorities as follows in order to achieve good governance levels.

- Risk Management: Council has developed risk management strategy or policy that enables Council to conduct risk assessment which has already been done. This exercise also enabled the Council to develop a plan on internal controls to mitigate and control.
- Internal Audit: Council managed to establish the Audit Committee and it sits regularly assisting on assessing the reporting on management of risk and other matters relating to good governance.
- Accounting and Auditing: Council has established the Audit Committee which assists in reviewing the annual financial statements and also to monitor the effectiveness of the internal controls and risk management.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Detail	2014/2015		2015/2016	
	Ordinary Meetings	Special Meetings	Special Meetings	Ordinary Meetings
Mayoral Committee	08	04	6	6
Technical Service Committee	02	0	5	0
SDS Committee	05	0	0	0
Audit Committee	09	0	0	0
LED Committee	10	0	0	0
Finance committee	06	0	0	0
Council Meeting	03	09	5	6

EMPLOYEE INFORMATION

Employees: The Executive and Council					
Job Level	2014/2015 Employees	2015/2016 Employees	Employees	Vacancies (fulltime equiv. FTE)	Vacancies (and % of total FTE)
	Nb.	Nb.	Nb.	Nb.	%
0 - 3	6	6	6	0	0%
4 - 6	22	22	22	0	0%
7 - 9	0	0	0	0	0
10 - 12	36	36	36	0	0%
13 - 15	0	0	0	0	0
Total	64	64	64	0	0%

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EXPENDITURE ON EXECUTIVE AND COUNCIL FOR 2014/2015 AND 2015/2016 FINANCIAL YEAR:

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
100	SALARIES	3 349 381	2 983 021	3 100 000	3 179 519
100	PENSION CONTRIBUTIONS	1 750 000	1 740 279	2 091 899	2 084 339
100	MEDICAL AID CONTRIBUTIONS	264 475	256 056	400 564	331 500
100	TRAVEL ALLOWANCES	3 119 517	4 023 268	4 472 405	4 433 389
100	CELLPHONE ALLOWANCES	1 496 312	1 348 336	1 335 552	1 311 434
100	CLR ALLOWANCES	8 261 756	7 872 094	8 390 456	8 496 345
100	INFRASTRUCTURE DEPRECIATION	0	85 165 644	105 254 900	112 819 502.34
100	RENTAL OF OFFICE EQUIP	5 133	768 939	0	0
100	MEMBERSHIP FEES	345 232	448 747	1 142 237	1 144 852
100	SKILLS DEVELOPMENT LEVY	112 648	108 984	193 034	117 403
100	PUBLIC PARTICIPATION	123 727	122 200	0	0
100	AUDIT COMMITTEES	169 330	141 535	5 060 000	4 452 776
100	CATERING	0			
100	ELECTRICITY AND WATER / MUNICIPAL SERVICE	5 663 705	5 670 403	5 575 780	5 974 797
100	REFRESHMENTS:EXEC MAYOR	0	0	0	0
100	REFRESHMENT SPEAKER	0	0	0	0

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100	REFRESHMENT CHIEFWHIP	0	0	0	0
100	REFRESHMENT : MPAC	0	0	0	0
100	REFRESHMENT :MMC	0	0	0	0
100	REFRESHMENT : SECTION 79	0	0	0	0
100	TRAVELLING AND SUBSISTANCE	54 972	68 596	60 000	55 448
100	ACCOMODATION AND MEALS	100 000	135 857	160 000	151 612
100	TELECOMMUNICATIONS	1 413 520	1 650 914	1 015 184	1 701 892
100	INSURANCE	1 963 349	1 364 759	2 154 247	1 175 595
100	WARD COMMITTEES EXPENDITURE	4 010 500	3 966 000	4 300 000	3 754 000
100	AUDIT FEES	4 348 766	4 337 834	5 060 000	4 452 776
100	PROV FOR BAD DEBTS	55 997 200	90 140 595	58 685 065	163 634 327.27
100	VEHICLES	0	0	563 190	563 918
100	PROVISION BAD DEBTS TRAFFIC FINES	0	0	2 637 871	954 059

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3.18 BUDGET AND TREASURY OFFICE

INTRODUCTION TO BUDGET AND TREASURY OFFICE

The department deals with the administration of finances of the municipality i.e. own budget as well as the money received from Government Fiscal i.e. allocation by Government to the municipality to enhance service delivery as in MIG and equitable shares. In order for the municipality to have effective service delivery, budget and IDP processes is being followed in order to ensure public participation to cover all community proposals in terms of projects.

The department must develop budget related policies and By-laws to govern consistently charging of moneys for services rendered to the communities. There will be internal and external audits in order to ensure management of risk and curbing corruption while encouraging the implementation of policies.

Service Category	2016/17 (R)		2017/18 (R)		Collection Rate (%)
	Accountable Billable	Proportion of Billable	Accountable Billable	Proportion of Billable	
Property Rates	53 989 190.13	2%	57 411 200	33 183 557	57.67
Water	30 240 109.45	5%	48 258 981	76 799 055	159.13
Sanitation	1 509 696.6	9%	280 696	25 951	9.25
Refuse	10 462 955	1%	14 536 911	22 155 266	152.42
Other	23 953 986	29%	53 958 290	141 741 925	262.90

The following problems were identified with regards to the below average collection rate and we have identified initiatives that will make a difference in the collection rate. One of the main is to make sure and educate community to pay municipal services.

Different strategies have to be put in place for regular defaulters as opposed to consumers defaulting occasionally:-

- Through awareness campaigns, consumers need to be made aware of the services provided by the Council.
- We need to explain to the consumers why they have to pay for services
- Political support
- Issuing monthly statements to the consumer on regularly for payment of services
- The deposits of regular defaulters should be increased according to their liability profile
- Implementation of Credit Control Policy

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EMPLOYEE INFORMATION

Employee: Financial Services					
VOTE	2013/14 BUDGET	2013/14 ACTUAL	2014/15 BUDGET	2014/15 ACTUAL	2014/15 %
	No.	No.	No.	No.	%
3	4	6	5	1	17%
4 - 6	11	10	10	0	0%
7 - 9	1	1	1	0	0%
10 - 12	15	15	15	0	0%
13 - 15	0	3	3	0	0%
Total	31	35	34	1	3%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2013/14 AND 2014/15: FINANCIAL SERVICES

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
104	SALARIES	7 156 403	7 090 323	8 306 906	7 836 496.52
104	INTERNS SALARIES-FMG	360 000	360 000	478 000	457 500.00
104	BONUS	561 772	579 571	669 236	2 322 472.55
104	SALGBC	4 264	2 800	2 871	3 016.00
104	ACTING ALLOWANCE	250 000	228 559	214 000	187 476.62
104	PENSION CONTRIBUTIONS	1 293 362	1 294 198	1 457 164	1 399 484.82
104	MEDICAL AID CONTRIBUTIONS	458 708	468 548	553 720	575 253.16
104	HOUSING SUBSIDIES	24 732	20 610	16 488	17 983.00
104	U I F CONTRIBUTIONS	54 753	56 093	69 079	69 079

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104	W C C CONTRIBUTIONS	0	0	526 000	526 000
104	OVERTIME	0	0	60 000	60 000
104	TRAVEL ALLOWANCES	350 500	348 000	300 000	300 000
104	CELLPHONE ALLOWANCES	45000	37 330	69 079	69 079
104	VALUATION ROLL	870 060	763 211	526 000	526 000
104	MUNSOFT UPGRADE & MAINTENANCE	0	0	0	0
104	MEMBERSHIP FEES	0	0	0	0
104	BANK CHARGES	200 000	152 989	200 000	296 582
104	PRINTING AND STATIONERY	250 939	92 386	-	0
104	SKILLS DEVELOPMENT LEVY	63 821	93 303	100 684	97 085
104	ENTERTAINMENT	0	0	0	0
104	FMG EXPENDITURE	1 240 000	1 240 000	1 122 000	1 122 000
104	SOFTWARE LICENCES	534 005	702 487	0	0
104	TRAVEL AND ACCOMMODATION	0	0	0	0
104	TRAVELLING AND SUBSISTANCE	11 537	10 322	76198	70 519
104	POSTAGE	45 335	0	0	0
104	BUDGET PROCESS	0	0	0	0
104	SOFTWARE CONSULTANCY	0	0	0	0

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104	MSIG	934 000	934 000	930 000	930 000
104	GRAP IMPLEMENTATION -FMG	0	0	1 622 807	1 622 807
104	GRAP IMPLEMENTATION - MSIG	0	0	0	0
104	DATA CLEANSING INDIGENT REGIST			0	0
104	ASS REG & INVENTORY MANAGEMENT			0	0
104	VAT RECOVERY			3 700 601	3 960 701
104	METER READING MACHINES			0	0

3.19 HUMAN RESOURCE(CORPORATE) SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The municipality has submitted to the Department of Labour the Employment Equity report and return of earnings in terms of the Employment Equity Act and the Compensation for occupational injuries and disease Act. Respectively. ; the Work Skills Plan is submitted to the Local Government SETA and 15 was also approved by the Council.

The reprioritised critical posts to the 2015/2016 financial year were filled based on the organisational structure. . All the HR policies were reviewed and adopted by Council. . The municipality is has undertaken the organisational reengineering to ensure that the organisation is in alignment with the IDP and Budget as well as to ensure that the employees job descriptions are aligned with these strategic documents

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last two years

The following table reflects the total personnel expenditure trends from 2014/2015 to 2015/2016

Financial Year	(R)
2014/2015	104,534,024
2015/2016	128, 519, 456

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Pension fund

The composition of membership for pension and provident funds was as follows

Pension Fund	Number of Members	
	2014/2015	2015/2016
Municipal Gratuity Fund	10	9
National Fund for Municipal Workers	0	1
Joint Municipal Pension fund	0	0
Sala Pension Fund 96 92	0	0
Municipal Councillors Pension Fund	63	63
Municipal Employees Pension Fund	390	389
Meshawu Pension fund	0	0
Samwu Pension Fund	0	0
GEPP	07	6

Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's actual expenditure for the 2014/2015 financial year towards the employer's contribution to total Medical Aid Funds is R 4 921 174

Medical Aid Fund	2014/2015 Number of Members	2015/2016 Number of Members	2015/2016 Employer's Contribution (R)	2015/2016 Employer's Contribution (R)
KeyHealth	17	8	225,557.51	224,448
Hosmed	55	44	1,341,047.10	1,358,650.
Bonitas	22	33	426,939.96	619,039.
LA Health	11	20	251,603.88	348,308.
Samwu Med	167	167	2,138,770.87	2,370,729
Total	272	272	4,383,919.32	4,921,174

Outstanding Monies

MFMA Circular 11 requires that Municipalities disclose arrears (outstanding monies) by Councillors and Section 56 Managers:-

Accounts in Arrear as at Present	Arrears: Jun-2015 (R)	Arrears: Jun-2016 (R)
Councillors	285 956	106 286

NOTE: The full report is on Annual Financial Statement

Disclosure concerning Executive Councillors and Section 56 Managers

The following table reflects the remuneration for Executive Councillors and Section 56 Managers:-

Designation	Remunerable(Package) (R)	
	2014/2015	2015/2016
Executive Council	4,526,523	5 099 030
Section 56 Managers	5,485,001	5 013 676
Part time/ Section 79	13, 805, 425	14 910 348

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Designation	Remuneration (Package) (R)	
	2014/2015	2015/2016
Executive Mayor	739 363	823 609
Speaker	595 664	698 989
Chief Whip	462 226	624 952
MMC's	2 694 360	2 951 480
Municipal Manager	933 478	1 145 925
Manager Corporate service	1,336,319	1 057 914
Manager SDS	1,007,537	1 057 914
Manager technical services	1,007,537	847 625
CFO	1,007,537	709 056

EMPLOYEE INFORMATION

Employee Demographic Statistics					
Age Group	2014/2015	Race	2014/2015	2014/2015	2014/2015
	Employees		Employees	Variance (Million R)	Variance (% of Budget)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	6	6	6	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	8	8	8	0	0%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2014/2015 AND 2015/2016: CORPORATE SERVICES (HR, FLEET MANAGEMENT, ICT, LEGAL, LABOUR RELATION AND OTHER)

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
106	SALARIES	8 339 363	8 412 289	9 078 674	9 207 455
106	BONUS	578 312	644 821	769 080	667 949
106	SALGBC	3 132	3 112	3 045	3 509
106	ACTING ALLOWANCE	73 257	153 005	40 958	40 212
106	PENSION CONTRIBUTIONS	1 609 182	1 590 421	1 683 078	1 696 651
106	MEDICAL AID CONTRIBUTIONS	601 455	660 946	637 852	674 744
106	HOUSING SUBSIDIES	22 236	22 236	22 236	26 583
106	UIF CONTRIBUTIONS	83 394	64 655	87 747	68 696
106	W C C CONTRIBUTIONS	3 100 000	1 949 977	600 000	0
106	OVERTIME	0	0	0	0

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106	TRAVEL ALLOWANCES	300 000	300 000	331 488	317 500
106	CELLPHONE ALLOWANCES	50 000	48 300	65 700	67 200
106	HARDWARE REPAIRS & MAINTENANCE	75 950	44 531	596 578	429 995
106	VEHICLES	1 410 563	1 143 861	4 223 881	3 889 442
106	IT SLA MAINTANANCE	52 000	84 585	0	0
106	WEBSITE UPDATES – MSIG	0	0	0	0
106	MEMBERSHIP FEES	0	0	0	0
106	DEPUTATION COSTS	0	0	0	0
106	PRINTING AND STATIONERY	445 081	697 995	1 308 000	799 708
106	SKILLS DEVELOPMENT LEVY	33 000	97 131	87 747	112 676
106	FUEL	4 104 503	3 545 331	4 300 000	4 612 980
106	RENTAL OF OFFICE EQUIP	0	0	450 000	957 695
106	STRATEGIC PLANNING	0	0	0	0
106	ENTERTAINMENT	0	0	0	0
106	TRAINING	1 934 516	621 878	290 000	265 858
106	LEGAL COSTS	1 400 192	3 308 306	5 308 920	1 907 227
106	SOFTWARE LICENCE	391 736	477 518	1 090 000	1 048 357
106	TRAVELLING AND SUBSISTANCE	0	10 003	220 000	66 428
106	ACCOMODATION AND MEALS	0	0	300 000	261 597
106	POSTAGE	12 139	8 216	32 395	7 625
106	POLICY DEVELOPMENT(BYLAWS)	0	0	0	0
106	LITIGATION	0	0	0	0
106	LABOUR RELATION JOURNAL	0	0	0	0
106	RECORD MANAGEMENT UPGRAD+	0	0	0	0
106	OHS PROGAMMES	0	0	200 000	173 123
106	COMPUTER EQUIPMENT	0	0	0	0
106	FURNITURE	0	0	0	0
106	ICT UPGRADE	0	0	0	0
106	LEAVE DAYS	0	0	364 500	576 995
106	LONG TERM SERVICE	0	0	641 995	607 689

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3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

The ICT services are broadly defined as follows:-

1. Information Management services
2. Information Technology services
3. Information System services
4. Network Management services

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT unit is responsible for the delivery of ICT services across the municipality. The unit is responsible for devising change programmes across the departments in order to deliver a modern ICT service function. The unit led the management and development of information and Network systems which devise an effective ICT management.

Brief introductory comments

Information, Communication & Technology services in the Thembisile Hani Local Municipality is regarded as a strategic resource. A strategic resource, which it is, viewed as both a critical and catalyst function for enabling service delivery at the customer face.

Key to the strategic nature of ICT in the municipality is the enabling of the municipal key objectives of the Municipality in order to meet its constitutional obligations. ICT enables the achievement of these obligations by deploying relevant information technology solutions.

The following policies have been developed and the related IT service provided daily to

Departments:-

Corporate Services department

Finance department

Social Services department

Technical Services department

Municipal Manager's office

Political Office Bearers

2014/2015 adopted policies	2015/16 adopted policies
Patch Management policy	Patch Management policy
Disaster recovery policy	Information Security Policy
Reviewed ICT governance framework	Reviewed ICT governance framework
Back-up policy	Back-up policy
ICT change management procedure manual	ICT Change Management Policy
Back-up procedure manual	Internet Usage Policy
	Email Policy
	Password Policy
	Telephone Usage Policy

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COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Thembisile Hani Local Municipality has one large priority IT capital project running. This is:

- ICT Hardware/Software maintenance
- Renewal of 2013 Microsoft office, Anti-virus, Scope serve and Fire wall
- Updated municipal website
- Upgraded financial system (VIP and Munsoft systems)
- Maintained 06 (Mathysloop, Workshop, Tweefontein K, Traffic Center, Kwa- Mhlanga and Mandela satellite offices) satellite offices using Wireless technology

3.21 LEGAL AND ADMINISTRATION SERVICES

INTRODUCTION TO LEGAL AND ADMINISTRATION SERVICES

The aim of Legal Services is to ensure a proper legal service to Council and the Municipal Manager, as well as the Executive Mayor and his Members of Mayoral Committee and other structures in Council. Prepare and ensure approval of legal documents relating to Council.

Employee Human Resource Services					
Job Level	2014/2015	Ratio	2015/2016	Vacancies (Full-time equivalent)	Vacancies (% of total FTE)
	Nb.		Nb.	Nb.	%
3	1	1	1	0	0%
4 - 6	6	6	6	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	8	8	8	0	0%

Note: All the legal expenditures are included in the corporate service (Vote 106)

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3.22 FLEET MANAGEMENT

INTRODUCTION

The section provides fleet services for the municipality and in doing so it is guided by the Fleet Management Policy. Council vehicles are centralized and managed within the fleet unit.

STATUS OF COUNCIL FLEET AS OF JULY 2015 TO JUNE 2016

Thembisile Hani Local Municipality has a Fleet Management component responsible for the management and administration of hundred and thirty (130) vehicles.

Thembisile Hani Local Municipality

Fleet Unit

Fleet Register 2015/2016

Registration No.	Made	Type	Year Model	Fuel
1. DVC 918 MP	NISSAN	WATER TANK	2007	DIESEL
2. FDV 718 MP	NISSAN	WATER TANK	2007	DIESEL
3.DXS 688 MP	FAW	WATER TANK	2007	DIESEL
4. DXS 693 MP	FAW	WATER TANK	2007	DIESEL
5. DXS 697 MP	FAW	WATER TANK	2007	DIESEL
6. FLZ 921 MP	ISUZU	WATER TANK	2010	DIESEL
7. FLZ 923 MP	ISUZU	WATER TANK	2010	DIESEL
8. FMF 292 MP	ISUZU	WATER TANK	2010	DIESEL
9. DSH 922 MP	ISUZU	WATER TANK	2008	DIESEL
10. DSH 909 MP	ISUZU	WATER TANK	2008	DIESEL
11. DSH 914 MP	ISUZU	HONEY SUCKER	2008	DIESEL
12. DSH 919 MP	ISUZU	HONEY SUCKER	2008	DIESEL
13. FZB 485 MP	NISSAN	HONEY SUCKER	2013	DIESEL
14. FZB 487 MP	NISSAN	HONEY SUCKER	2013	DIESEL
15. DXT 171 MP	NISSAN	TIPPER	2009	DIESEL
16. DXT 176 MP	NISSAN	TIPPER	2009	DIESEL
17. DRH 754 MP	ISUZU	TIPPER	2008	DIESEL
18. DRH 748 MP	ISUZU	TIPPER	2008	DIESEL
20. DVC 913 MP	NISSAN	TIPPER	2008	DIESEL
21. HDP 505 MP	NISSAN	TIPPER	2013	DIESEL
22. HDP 474 MP	NISSAN	TIPPER	2013	DIESEL
23. HDP 484 MP	NISSAN	TIPPER	2013	DIESEL
24. HBP 389 MP	NISSAN	TIPPER	2013	DIESEL

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25. HDP 505 MP	NISSAN	TIPPER	2013	DIESEL
26. HDP 489 MP	NISSAN	TIPPER	2013	DIESEL
27. HCY 382 MP	NISSAN	WATER TANK	2013	DIESEL
28. HCY 384 MP	NISSAN	WATER TANK	2013	DIESEL
29. DVC 923 MP	NISSAN	DROPSIDE	2004	DIESEL
30. HBY 802 MP	NISSAN	COMPACTOR	2013	DIESEL
31. DJN 789 MP	NISSAN	COMPACTOR	2005	DIESEL
32. FSP 929 MP	NISSAN	COMPACTOR	2012	DIESEL
33. FVP 717 MP	NISSAN	COMPACTOR	2012	DIESEL
34. HCD 563 MP	NISSAN	LOWBED	2013	DIESEL
35. HCD 587 MP	NISSAN	TRAILER(L/BED	2013	DIESEL
36. HCY 384 MP	NISSAN	WATER TANK	2013	DIESEL
37. HDP 474 MP	NISSAN	WATER TANK	2013	DIESEL
38. HGW 595 MP	NISSAN	COMPACTOR	2013	DIESEL
39. HGW 609 MP	NISSAN	COMPACTOR	2013	DIESEL
40. HDP 501 MP	NISSAN	TANKER	2013	DIESEL
41. DHY 232 MP	NISSAN	TANKER	2002	DIESEL

GRADERS

REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DPX 610 MP	BELL	BELL	2007	DIESEL
2. DPX 617 MP	KOMATSU	KOMATSU	2007	DIESEL
3. FDV 722 MP	CAT	CAT	2008	DIESEL
4. FZL 582 MP	BELL	BELL	2013	DIESEL
5. FWX 044 MP	SHANTUI	SHANTUI	2012	DIESEL
6. CWY 815 MP	BELL	BELL	2002	DIESEL
7. HCY 357 MP	BELL	BELL	2013	DIESEL

TLBS

REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. CZN 065 MP	CAT	CAT	2000	DIESEL
2. FDV 720 MP	BELL	BELL	2012	DIESEL
3. FVX 817 MP	BELL	BELL	2012	DIESEL
4. FVX 819 MP	BELL	BELL	2012	DIESEL
5. FVX 821 MP	BELL	BELL	2012	DIESEL
6. FYD 917 MP	BELL	BELL	2013	DIESEL
7. FYD 922 MP	BELL	BELL	2013	DIESEL
8. FYD 924 MP	BELL	BELL	2013	DIESEL

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EXCAVATORS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. JCB	JCB	JCB	2011	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
3. JCB	JCB	JCB	1996	DIESEL
BOMAGS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. FDR 834 MP	BELL	BELL	2012	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
DOZER				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. BELL	BELL	BELL	2012	DIESEL
FRONT END LOADER				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. FRONT END LOADER	LOADER	LOADER	2000	DIESEL
KOMBI				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DGG 503 MP	QUANTUM	QUANTUM	2004	DIESEL
TRACTORS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DXD 889 MP	MASSEY	MASSEY	2000	DIESEL
2. DXD 881 MP B	MASSEY	MASSEY	2002	DIESEL
3. FPJ 632 MP	MASSEY	MASSEY	2012	DIESEL
4. FPJ 638 MP	MASSEY	MASSEY	2012	DIESEL
5. FPJ 642 MP	MASSEY	MASSEY	2012	DIESEL
6. DDS 204 MP	MASSEY	MASSEY	2000	DIESEL
6. DDS 214 MP	MASSEY	MASSEY	2000	DIESEL
7. DCJ 108 MP	MASSEY	MASSEY	2000	DIESEL
8. DCJ 101 MP	MASSEY	MASSEY	2000	DIESEL
9. DDS 196 MP	MASSEY	MASSEY	2002	DIESEL
10. HFY 726 MP	TRACTOR	TRACTOR	2013	DIESEL
11. HFY 731 MP	TRACTOR	TRACTOR	2013	DIESEL

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12. HFY 733 MP	TRACTOR	TRACTOR	2013	DIESEL
BAKKIES				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DWW 136 MP	NISSAN	BAKKIE	2007	DIESEL
2. DWW 137 MP	NISSAN	BAKKIE	2007	DIESEL
3. DWW 134 MP	NISSAN	BAKKIE	2007	DIESEL
4. DWW 142 MP	NISSAN	BAKKIE	2007	DIESEL
5. DWW 141 MP	NISSAN	BAKKIE	2007	DIESEL
6. DPY 734 MP	NISSAN	BAKKIE	2006	DIESEL
7. DPY 715 MP	NISSAN	BAKKIE	2006	DIESEL
8. DPY 707 MP	NISSAN	BAKKIE	2006	DIESEL
9. DPY 780 MP	NISSAN	BAKKIE	2006	DIESEL
10. DPY 753 MP	NISSAN	BAKKIE	2006	DIESEL
11. DPY 701 MP	NISSAN	BAKKIE	2006	DIESEL
12. DPY 769 MP	NISSAN	BAKKIE	2006	DIESEL
13. DPY 802 MP	NISSAN	BAKKIE	2006	DIESEL
14. DPY 808 MP	NISSAN	BAKKIE	2006	DIESEL
15. DPY 747 MP	NISSAN	BAKKIE	2006	DIESEL
16. DPY 772 MP	NISSAN	BAKKIE	2006	DIESEL
17. DPY 725 MP	NISSAN	BAKKIE	2006	DIESEL
18. DGJ 982 MP	TOYOTA	BAKKIE	2004	PETROL
19. DFZ 634 MP	NISSAN	BAKKIE	2004	PETROL
20. DFS 353 MP	FORD	BAKKIE	2004	PETROL
21. FSB 890 MP	NISSAN	BAKKIE	2012	DIESEL
22. FSB 801 MP	NISSAN	BAKKIE	2012	DIESEL
23. FSB 887 MP	NISSAN	BAKKIE	2012	DIESEL
24. FSB 882 MP	NISSAN	BAKKIE	2012	DIESEL
25. FSB 891 MP	NISSAN	BAKKIE	2012	DIESEL
26. DFY 131 MP	NISSAN	BAKKIE	2004	PETROL
27. DFY 135 MP	NISSAN	BAKKIE	2004	PETROL
28. FYZ 069 MP	NISSAN	BAKKIE	2013	DIESEL
29. FYZ 067 MP	NISSAN	BAKKIE	2013	DIESEL
30. FYZ 066 MP	NISSAN	BAKKIE	2013	DIESEL
31. FYZ 065 MP	NISSAN	BAKKIE	2013	DIESEL
32. DRD 053 MP	ISUZU	BAKKIE	2007	PETROL
33. DRD 066 MP	ISUZU	BAKKIE	2007	PETROL
34. DRD 048 MP	ISUZU	BAKKIE	2007	PETROL

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35. DRD 044 MP	ISUZU	BAKKIE	2007	PETROL
36. HFN 945 MP	NISSAN	BAKKIE PMU	2013	DIESEL
37. HFN 956 MP	NISSAN	BAKKIE BULK	2013	DIESEL
38. HFN 972 MP	NISSAN	BAKKIE SANITA	2013	DIESEL
40. HFN 966 MP	NISSAN	BAKKIE ROADS	2013	DIESEL
41. HFJ 699 MP	TOYOTA HILUX	BAKKIE DISASTER	2013	DIESEL
PRIVATE/SEDANS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. CXP 399 MP	ALMERA	SEDAN	2004	PETROL
2. DFS 347 MP	ALMERA	SEDAN	2004	PETROL
3. FSB 896 MP	TIIDA	SEDAN	2013	PETROL
4. FSB 895 MP	TIIDA	SEDAN	2012	PETROL
5. FSB 897 MP	TIIDA	SEDAN	2012	PETROL
6. FYZ 862 MP	TIIDA	SEDAN	2013	PETROL
7. FYZ 864 MP	TIIDA	SEDAN	2013	PETROL
8. FYZ 878 MP	TIIDA	SEDAN	2013	PETROL
9 DFR 930 MP	TIIDA	SEDAN	2013	PETROL
10. FYZ 874 MP	TIIDA	SEDAN	2013	PETROL
11. DFS 345 MP	COROLLA	SEDAN	2002	PETROL
12. DFT 019 MP	MAZDA	SEDAN	2002	PETROL
13. DFR 930 MP	CITI GOLF	SEDAN	2002	PETROL
14. FYZ 872 MP	TIIDA	SEDAN	2013	PETROL
15. HFN 966 MP	NISSAN	BAKKIE ROADS	2013	DIESEL

• REPAIRS AND MAINTENANCE

Council vehicles are repaired and maintained for the municipality to deliver services promised to the community during 2015/2016

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COMPONENT G: MISCELLANEOUS

3.23 AUDITED ANNUAL PERFORMANCE REPORT

This component includes: Annual Performance Scorecard Report for the current year.

Municipal Planning and Performance Management Regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

The 2015/2016 Performance Management Framework and Policy was adopted by Council on 30th June 2015

The Annual Performance Report must be presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2016.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

INTRODUCTION AND BACKGROUND

This report is compiled in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2). It covers the performance information of the municipality from 1 July 2015 to 30 June 2016 and focuses on the implementation of the 2015/2016 Revised Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and an overview of financial performance.

In the year under review (2015/2016), Thembisile Hani Local Municipality had five departments, namely; Technical Services, Social Development Services, Corporate Services, Finance service, as well as the Municipal Manager's Office.

PURPOSE

The main purpose of this report is to account to the MEC for Cooperative Governance and Traditional Affairs, Provincial and National Treasury, Auditor-General and to the citizens of Thembisile Hani Local on progress being

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made by municipality towards achieving the overall goals. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens.

METHODOLOGY FOLLOWED IN COMPILING THE REPORT

In terms of Section 46 of the Municipal Systems Act 32 of 2000,

- (1) A municipality must prepare for each financial year a performance report reflecting-
 - (a) the performance of the municipality and of each external service provider during that financial year;
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year and
 - (c) Measures taken to improve performance.
- (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.

In terms of Chapter 6 of the Municipal System Act, No. 32 of 2000 municipalities must monitor and measure the progress of their performance by preparing quarterly, mid-year and annual performance reports.

INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2015/2016 financial year, every attempt was made to ensure that the municipality complies with the legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. Thembisile Hani Local Municipality has continued to maintain an effective operation of the following mechanisms:

- The 2015/2016 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;

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- Performance agreements which incorporates performance plans were developed and signed as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM);
- Quarterly performance reports were objectively and independently audited by the Internal Audit Unit verifying the accuracy and credibility of the reported performance information; and
- The Performance Audit Committee (AC) functioned optimally in the year; in line with the committee's approved terms of reference

DEVELOPMENT OBJECTIVES

The following are the broad development objectives that the municipality has set:

- To improve the organisational development capacity of the municipality in order to render effective service delivery
- To enhance revenue and to ensure financial viability and sustainability.
- To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.
- To improve the quality of life of the community by providing them, with water supply, sanitation, roads as well as amenities such community halls and basic recreational facilities.
- To improve the quality of life of the community through providing them with community facilities and containing the HIV/Aids epidemic in the area.
- To ensure that residents live within a safe environment by illuminating strategic nodal point.
- To utilise the municipal area's agricultural potential to the maximum
- To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.
- To deepen democracy and strengthen democratic institutions through active public participation

MUNICIPAL PRIORITIES

The Annual Performance Report is structured to show how projects were implemented within the financial year to address the IDP priorities.

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- Issue 1: Institutional development
- Issue 2: Financial viability
- Issue 3: Public Participation and Good Governance
- Issue 4: Water
- Issue 5: Sanitation
- Issue 6: Electricity (Communal and Street Light)
- Issue 7: Road and Storm water
- Issue 8: Public Transport
- Issue 9: Cemeteries
- Issue 10: Waste and Environmental Management
- Issue 11: Municipal facilities, Sport, Recreation, Art & Culture
- Issue 12: Public safety, security and Emergency services
- Issue 13: Spatial Planning and Land Use Management
- Issue 14: Local Economic Development
- Issue 15: Youth Development
- Issue 16: Transversal Issue

OVERALL CONCLUSION

During the 2015/2016 financial year the overall performance of Thembisile Hani Local Municipality is 65% success rate achievement. As compared to 84% success rate achieved during the 2014/2015 financial year.

KEY PERFORMANCE AREA	TOTAL NO. OF TARGET		TOTAL ACHIEVED		NOT ACHIEVED	
	No.	%	No.	%	No.	%
1. Basic Service Delivery						
1.1. Technical Services	72	100%	51	71%	21	29%
1.2. Social Development Services	13	100%	06	46%	07	54%
2. Municipal Transformation and Institutional Development	25	100%	20	80%	05	20%

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3. Municipal Financial Viability and Management	20	100%	13	65%	07	35%
4. Good Governance And Public Participation	32	100%	16	50%	16	50%
5. Local Economic Development	9	100%	06	67%	03	33%
TOTAL	171	100%	112	65%	59	35%

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KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT Technical Service

The department of Technical Services overall performance for 2015/2016 financial year is 71% achievement. The department managed to achieve 51 targets out of the 72 planned targets, as compared to 88% achieved in 2014/15 financial year out of 41 planned targets 36 targets was achieved

CAPITAL BUDGET

WATER											
MPA	BASIC SERVICE DELIVERABLES			RENDERED	COLLECTED	BLDG	RENDERED	COLLECTED	BLDG	RENDERED	COLLECTED
LOCATION	1.9km of 160mm diameter pipeline laid	Number of Bulk water Schemes Upgraded	1 bulk water scheme upgraded by 30 April 2016	R 588 525	R 588 525	R 0	R 588 525	1 Bulk water scheme not yet upgraded.	Project adjusted to R 0.00 during budget adjustment	The project is budgeted to be implemented in the 2016/17	Appointment letter, Quarterly progress reports, Completion certificate
Upgrading of Kwaggafontein Water Scheme			Activities <ul style="list-style-type: none">100meters of 160mm diameter pipeline of 1.2km of					Activities <ul style="list-style-type: none">2ML reservoir constructed100meters of 160mm diameter pipeline			

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BUNDU WATER SUPPLY PROJECT														
LOCATION	PROJECT DESCRIPTION	PROJECT STATUS	PROJECT BUDGET	PROJECT COST	PROJECT VALUE	PROJECT TYPE	PROJECT CATEGORY	PROJECT SUB-CATEGORY	PROJECT PHASE	PROJECT SUB-PHASE	PROJECT SUB-PHASE DESCRIPTION	PROJECT SUB-PHASE BUDGET	PROJECT SUB-PHASE COST	PROJECT SUB-PHASE VALUE
Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu – Multi Year Project	New project on old existing infrastructure	Number of Bulk water schemes upgraded	1 Bulk Water Scheme upgraded by 30 June 2016.	R23 225 939,00	0	R23 225 939,00	315mm diameter pipeline • 2ML reservoir constructed	1 Bulk Water Scheme upgraded by 30 June 2016.	R1 806 874	R23 225 939,00	R 3 235 988,54	No	WULA is work in progress, and a parallel process to other processes.	Expedition of WULA

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Installation of Flow Control Valves at Reservoirs from Borehole Water Supply – Water Conservation and Demand Management Project	New project	Number of valves installed	17 valves installed by 30 June 2016	R3 124 800	R550 678	R2 574 122	R 3 011 593	17 valves installed by 30 June 2016	R 3 539 027.56	Yes	None	None	Appointment letter, Quarterly progress reports, Completion certificate
Moloto Pressure Management Areas for Moloto from Boreholes Supply – Water Conservation and Demand Management Project	New project	Number of valves installed	5 valves installed by 30 June 2016	R922 460	R177 833	R744 627	R 912 235	5 valves installed	R 1 061 262.60	Yes	None	None	Appointment letter, Quarterly progress reports, Completion certificate
New Reservoir & Pipeline at KwaMhlanga for Phola & Mountain	3.2km of 500mm diameter pipeline laid from	Number of Reservoirs and pipelines constructed	1 new 10Ml Storage reservoir 10mega liter	40 289 680	0	40 289 680	R 12 318	0	R 0.00	No	Budget was adjusted to R 0.00	The project will be implemented during the 2016/17 fy	Appointment letter, Quarterly progress reports, Completion certificate

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LOCATION/ PROJECT	DESCRIPTION OF THE PROJECT	STATUS	DATE OF COMPLETION	AMOUNT SPENT (R)	AMOUNT BUDGETED (R)	AMOUNT ALLOCATED (R)	AMOUNT AVAILABLE (R)	AMOUNT USED (R)	AMOUNT REMAINING (R)	COMPLETION CERTIFICATE	
View Communities	Elandustria to Enkeldoorn New constructed 800m of 315mm diameter pipeline to KwaMhlanga a R1 reservoir constructed	constructed by 30 June 2016 New dedicated 500 mm pipeline connected from new reservoir to existing 300 mm pipeline by 30 June 2016								Completion certificate	
Incorporate KwaMhlanga Crossroads and part of Zakheni and Phola Park into KwaMhlanga Reservoir Zones - Water Conservation and Demand Management	New project on old existing infrastructure	Number of meters of pipeline constructed 4 028 meters of pipeline constructed by 30 June 2016.	R973 060	R1 472 142	R499 082	R 9 600 739	4028 meters of pipeline still in construction.	R 10 877 793.21	No	Laying of pipes, and pressure testing of network pipe, commissioning and handover are items for completion.	Appointment letter, Quarterly progress reports, Completion certificate

NAME	BUSINESS DESCRIPTION	LOCATION PROJECT	TYPE OF PROJECT	NUMBER OF BOREHOLES REFURBISHED AND DRILLED	DATE WHEN BOREHOLES WERE REFURBISHED AND DRILLED	R1 200 000	R366 699	R833 301	R 2 252 584	3 boreholes not yet refurbished and drilled.	R 1 823 053.05	No	Installation of Elevated Steel Tanks, commissioning and handover to be completed on/ or before 15 July 2016.	Installation of Elevated Steel Tanks, commissioning progress reports.' Completion certificate s.	Appointm ent letter, Quarterly progress reports.' Completion certificate s.
Project	New project and existing old infrastructure	Boreholes Moloto; Ward 1, 2 & 3	New project and existing old infrastructure	Number of Boreholes Refurbished and Drilled	5 Boreholes refurbished and drilled by 30 June 2016	R1 200 000	R366 699	R833 301	R 2 252 584	3 boreholes not yet refurbished and drilled.	R 1 823 053.05	No	Installation of Elevated Steel Tanks, commissioning and handover to be completed on/ or before 15 July 2016.	Installation of Elevated Steel Tanks, commissioning progress reports.' Completion certificate s.	Appointm ent letter, Quarterly progress reports.' Completion certificate s.
Boreholes Mountain View; Ward 14	New project and existing old infrastructure	Boreholes Engwenyame ni Luthuli; Ward 19 & 22	New project and existing old infrastructure	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 30 June 2016	R1 000 000	R492 098	R507 902	R 1 927 184	3 Boreholes refurbished.	R 2 767 545.17	Yes	None	None	Appointm ent letter, Quarterly progress reports.' Completion certificate s.
Boreholes Engwenyame ni Luthuli; Ward 19 & 22	New project and existing old infrastructure	Boreholes Engwenyame ni Luthuli; Ward 19 & 22	New project and existing old infrastructure	Number of Boreholes Refurbished and Drilled	4 Boreholes refurbished and drilled by 30 June 2016	R1 040 000	R510 155	R529 845	R 1 949 128	4 Boreholes refurbished and drilled by 30 June 2016	R 2 420 339.10	Yes	None	None	Appointm ent letter, Quarterly progress reports.' Completion certificate s.

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Ward	Borehole Project	New Boreholes	Refurbished Boreholes	Infrastructure Existing	Estimated Cost	Actual Cost	Completion Date	Status
Ward 11		Refurbished and Drilled	Refurbished and drilled by 30 June 2016				and drilled by 30 June 2016.	7
Boreholes Verena B; Ward 11	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 30 June 2016	R850 000	R568 043	R281 957	R 1 701 239	R 1 957 794.2
							Yes	None
							None	None
							Quarterly progress reports.' Completion certificate s.	Appointment letter, Quarterly progress reports.' Completion certificate s.
Boreholes Verena A & D; Ward 08	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R920 000	R574 453	R345 547	R 1 764 829	R 2 681 629.7
							No	Installation of Elevated Steel Tanks, commissioning and handover to be completed on/ or
							Installation of Elevated Steel Tanks, commissioning and handover are items for completion.	Installation of Elevated Steel Tanks, commissioning and handover to be completed on/ or
							Appointment letter, Quarterly progress reports.' Completion certificate s.	Appointment letter, Quarterly progress reports.' Completion certificate s.

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Boreholes Tweefontein J; Ward 09	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R920 000	R466 034	R453 966	R 1 873 248	1 Boreholes not yet refurbished. 2 Boreholes not yet started (Geotechnical investigation, design and construction off footings for Elevated Steel Tanks. Installation of Elevated Steel Tanks.	R 1 972 028.0 6	No	Installation of Elevated Steel Tanks, commission ing and handover are items for completion.	Installation of Elevated Steel Tanks, commission ing and handover to be completed on/ or before 15 July 2016.	Appointment letter, Quarterly progress reports. Completion certificate s.
Boreholes Buhlebuzile and Zenzele; Ward 09	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R 920 000	R610 814	R309 186	R 1 728 468	2 Boreholes not yet refurbished. 1 Borehole not yet started	R 2 001 084.4 1	No	Installation of Elevated Steel Tanks, commission ing and handover are items for completion.	Commitment letter from Service Provider to be completed on/ or before 30 July 2016.	Appointment letter, Quarterly progress reports. Completion certificate s.

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Boreholes Machipe; Ward 24	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	5	Boreholes refurbished and drilled by 30 June 2016	R1 200 000	R466 917	R733 083	R2 152 366	3 Boreholes refurbished and drilled. 2 Boreholes not yet started (Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.)	R 1 580 943.9 1	No	Commissioning and handover are items for completion.	Commitment letter from Service Provider to be completed on/ or before 30 July 2016	Appointment letter, Quarterly progress reports. Completion certificate s.
Boreholes Bundu; Ward 24	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	8	Boreholes refurbished and drilled by 30 June 2016	R1 920 000	R633 814	R1 286 186	R2 705 469	4 Boreholes not yet refurbished. (Equipping of Geotechnical investigation, design and construction off footings for Elevated Steel Tanks. Installation of Elevated Steel Tanks. Commissioning and	R 2 917 703.3 4	No	Low yielding and contaminated Boreholes	4 contaminated Boreholes to be equipped with Water Treatment Package Plants in 1 st Q of 2016/ 17 FY.	Appointment letter, Quarterly progress reports. Completion certificate s.

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Boreholes Mathysensloo p. Ward 07	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	5 Boreholes refurbished and drilled by 30 June 2016	R1 200 000	R466 917	R733 083	R2 152 366	3 Boreholes refurbished and drilled. 2 Boreholes not yet started Geotechnical investigation, design and construction off footings for Elevated Steel Tanks. Installation of Elevated Steel Tanks.	R 1 311 626.1 7	No	Commissioning and handover are items for completion.	Commissioning and handover to be completed on/ or before 30 July 2016	Appointment letter, Quarterly progress reports. Completion certificate.
Boreholes Kwaggafontein n A, Ward 27	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	1 Boreholes refurbished and drilled by 30 June 2016	R1 000 000	R524 194	R475 806	R1 895 089	3 Boreholes not yet refurbished. Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.	R 2 593 246.5 5	No	Installation of Elevated Steel Tanks, commissioning and handover are items for completion.	Installation of Elevated Steel Tanks, commissioning and handover are items to be completed on/ or	Appointment letter, Quarterly progress reports. Completion certificate.

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NAME	PROJECT	ESTIMATED COST	ACTUAL COST	DATE OF COMPLETION	STATUS	REMARKS	DATE OF COMPLETION	STATUS	REMARKS
Boreholes Kwaggafontein in C, D and E; Ward 26	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	2 Boreholes refurbished and drilled by 30 June 2016	R1 000 000	R693 480	R306 520	R 1 725 803	4 Boreholes refurbished and drilled. Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.	Yes None before 15 July 2016. Appointment letter, Quarterly progress reports. Completion certificate s.
Boreholes Kwaggafontein in B; Ward 25	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	5 Boreholes refurbished and drilled by 30 June 2016	R1 200 000	R417 275	R782 725	R 2 202 008	2 Boreholes refurbished and drilled. 3 Boreholes not yet started Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.	Commissioning and handover are items for completion to be completed on/ or before 15 July 2016. Appointment letter, Quarterly progress reports. Completion certificate s.
Boreholes Tweefontein C	New project and old	Number of Boreholes	4 Boreholes	R1 040 000	R443 534	R596 466	R 2 015 748	4 Boreholes refurbished Steel Tanks.	Yes Installation of Elevated Steel Tanks, commissioning and handover are items for completion. Commissioning and handover are items for completion to be completed on/ or before 15 July 2016. Appointment letter,

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and DK; Ward 12	Infrastructure existing	Refurbished and Drilled	refurbished and drilled by 30 June 2016	R1 000 000	R352 150	R647 850	R2 067 133	3 Boreholes refurbished and drilled by 30 June 2016	R2 677 286.85	Yes	None	Steel Tanks, commissioning and handover are items for completion.	handover are items for completion to be completed on/ or before 15 July 2016.	Quarterly progress reports. Completion certificate
Boreholes Sun City A; Ward 19	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 30 June 2016	R1 000 000	R352 150	R647 850	R2 067 133	3 Boreholes refurbished and drilled by 30 June 2016	R2 677 286.85	Yes	None	None	None	Appointment letter, Quarterly progress reports. Completion certificate
Boreholes Luthuli; Ward 22	New project and old infrastructure existing	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 30 June 2016	R1 000 000	R991 054	R8 946	R1 428 229	1 Boreholes refurbished and drilled by 30 June 2016.	R3 624 627.91	Yes	None	None	None	Appointment letter, Quarterly progress reports. Completion certificate

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Project	Project Description	Project Location	Project Status	Project Budget	Project Start Date	Project End Date	Project Manager	Project Sponsor	Project Stakeholders	Project Risks	Project Benefits	Project Objectives	Project Deliverables	Project Milestones	Project Key Performance Indicators	Project Evaluation	Project Review	Project Conclusion
Luthuli Waste Water Treatment Works	Technical report approved and in place	Number of Environmental Assessment (EIA), survey and geotechnical investigation conducted and designs issued	1 EIA, survey, geotechnical investigation conducted and preliminary designs issued by 30 June 2016	R3 008 887	R0	R3 008 887	R3 008 887	R3 008 887	R3 008 887	1 Survey, geotechnical investigation conducted, and preliminary design report issued by 30 June 2016. No EIA	R 2 998 032.36	No	EIA (Environmental Assessment) is yet to be completed	Completion of EIA by 2nd Quarter of 2016/17 FY	Appointment letter, Quarterly progress reports. Completion certificate			
HIGH MAST LIGHT																		
Suncity AA High Mast Lights	1 High Mast Light installed	Number of High Mast Lights energised	1 High Mast Light energised by 30 April 2016	R232 144	R60 121	R172 023	R 232 144	R 232 144	R 232 144	1 High Mast Light energised by 30 June 2016	R 60 120.67	Yes	None	None	Appointment letter, Quarterly progress			

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Item	Installed	energised	energised by 30 April 2016					energised by 30 June 2016					Quarterly progress reports. Completion certificate
1A) High mast lights													
High mast lights Zakheni Ward 4 High mast lights	2 high mast lights installed	Number of High mast Lights energised	1 High Mast Light energised by 30 April 2016	R176 918	R60 121	R116 797	R 116 797	1 High Mast Lights energised by 30 June 2016	R 60 120.67	Yes	None	None	Appointment letter, Quarterly progress reports. Completion certificate
Vezubuhle High Mast Lights	2 high mast lights installed	Number of High mast Lights installed and energised	2 high mast lights installed and energised by 30 April 2016	R550 000	R180 804	R369 196	R 441 346	2 High Mast Lights installed and energised by 30 June 2016.	R 619 482.88	Yes	None	None	Appointment letter, Quarterly progress reports. Completion certificate

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Ward	Project	Project Description	Project Status	Project Budget	Project Cost	Project Value	Project Completion Date	Project Completion Status	Project Completion Date	Project Completion Status				
Thembalethu	High mast lights	2 high mast lights installed	Number of High mast Lights energised	2 High Mast Lights energised by 30 April 2016	R352 000	R103 563	R248 437	R 348 437	0	R 434 641.30	No	Cable has been stolen from 1 HML.	Contractor to fix accordingly as we are still in defects liability period.	Appointment letter, Quarterly progress reports, Completion certificate s.
Phumula Cluster	High mast lights	New project	Number of High mast Lights installed and energised	3 High Mast Lights installed and energised by 30 April 2016	R1 743 603	R912 836	R130 767	R 798 633	3 High Mast Lights installed and energised by 30 June 2016.	R 1 440 354.49	Yes	None	None	Appointment letter, Quarterly progress reports, Completion certificate s.
Zenzele	High mast lights	1 high mast light installed	Number of High mast Lights energised	1 high mast light energised by 30 April 2016	R253 206	R0	R253 206	R 253 206	1 High mast light application Submitted to ESKOM for energising.	R 166 450.70	No	Quotation for energising has been submitted to ESKOM	1 High mast light application Submitted to ESKOM for	Appointment letter, Quarterly progress reports, Completion

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STREET LIGHT									
Buthlesizwe Street lights	11 Street Light poles installed	Number of Street Lights installed and energised	11 Street lights installed and energised by 30 June 2016	R100 000	R85 663	R14 337	R 14 337	11 Street Lights installed and energised by 31 December 2015.	R 85 663.44
								Yes	None
								None	None
								on the 15th of June 2016, for it to be approved so the HML can be energised.	energising.
									n certificate s.
Kwamhlanga Street lights	22 Street Light poles installed	Number of Street Lights installed and energised	22 Street lights installed and energised by 30 June 2016	R100 000	R85 663	R 14 337	R 14 337	22 Street Lights installed and energised by 31 December 2015.	R 85 663.44
								Yes	PMU to reapply for another supply point to be installed before the end of the
								22 lights have been installed, but could not be tested as a result of vandalism	Appointm ent letter, Quarterly progress reports.' Completio n certificate s.
								Appointm ent letter, Quarterly progress reports.' Completio n certificate s.	Appointm ent letter, Quarterly progress reports.' Completio n certificate s.

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WPA	LOCATION/PROJECT	ESSENTIALITY	KEY PERFORMANCE INDICATOR	VERIFIED	COMPLETION DATE	STATUS	REMARKS	2nd Q of 2016/17 FY.	to the supply point fed from the kiosk that supplies electricity. As a result, the lights could not be tested for ccc's to be issued, and a practical completion certificate to be issued.	PMU to reapply for another supply point to be installed before the end of the 2nd Q of 2016/17 FY.	Appointm ent letter, Quarterly progress reports, Completio n certificate s.
	Moloto Clinic Street lights	22 Street Light poles installed	Number of Street Lights installed and energised	22 Streetlights installed and energised by 30 June 2016	R417 220	R230 937	R186 283	R 338 518.91	Yes	22 lights have been installed, but could not be tested as a result of vandalism to the supply point fed from the	

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Mathyzenso op Street lights	16 Street Light poles installed	Number of Street Lights installed and energised	16 Street Lights installed and energised by 30 June 2016	R200 000	R85 663	R 114 337	R 114 337	16 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	None	kiosk that supplies electricity. As a result, the lights could not be tested for ccc's to be issued, and a practical completion certificate to be issued.	Appointm ent letter, Quarterly progress reports. Completo n certificate s.
Kwaggafont ein Street lights	22 Street Light poles installed	Number of Street Lights installed and	22 Street Lights installed and	R100 000	R85 663	R 14 337	R 14 337	22 Street Lights installed and energised by	R 85 663.44	Yes	None	None	Appointm ent letter, Quarterly progress

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LOCATION PROJECT	12 Street Light poles installed	and energised	energised by 30 June 2016	R144 074	R85 663	R58 411	R 58 411	12 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	None	None	reports. Completion certificate s.
Vezubuhle Street lights (Public Works)	12 Street Light poles installed	Number of Street Lights installed and energised	12 Street Lights installed and energised by 30 June 2016	R144 074	R85 663	R58 411	R 58 411	12 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	None	None	Appointment letter, Quarterly progress reports. Completion certificate s.
Street lights Thokoza T Junction R 573	12 Street Light poles installed	Number of Street Lights installed and energised	12 Street Lights installed and energised by 30 June 2016	R100 000	R85 663	R 14 337	R 14 337	12 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	None	None	Appointment letter, Quarterly progress reports. Completion certificate s.
Cashbuild Turnoff along R573	11 Street Light poles	Number of Street Lights	11 Street Lights installed	R351 017	R230 937	R120 080	R120 080	11 Street Lights	R 230 937.21	Yes	None	None	Appointment letter,

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LOCATION/PROJECT	DATE WHEN THE STREET LIGHTS WERE INSTALLED	DATE WHEN THE STREET LIGHTS WERE ENERGISED	DATE WHEN THE STREET LIGHTS WERE ENERGISED BY 30 JUNE 2016	STREET LIGHTS INSTALLED AND ENERGISED	STREET LIGHTS INSTALLED AND ENERGISED BY 30 JUNE 2016	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015	STREET LIGHTS INSTALLED AND ENERGISED BY 31 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Chapter 3

LOCATION/PROJECT	DESCRIPTION OF PROJECT	NUMBER OF STREET LIGHTS INSTALLED AND ENERGISED	11 STREET LIGHTS INSTALLED AND ENERGISED BY 30 JUNE 2016	R351 017	R230 937	R 120 080	R 120 080	R 120 080	11 STREET LIGHTS INSTALLED AND ENERGISED BY 31 DECEMBER 2015.	R 230 937.21	Yes	None	None	Appointm ent letter, Quarterly progress reports.' Completio n certificate s.
New Police Station After T-Junction Along R 573 Moloto Road	11 Street Light poles installed	Number of Street Lights installed and energised	11 Street Lights installed and energised by 30 June 2016	R351 017	R230 937	R 120 080	R 120 080	R 120 080	11 Street Lights installed and energised by 31 December 2015.	R 230 937.21	Yes	None	None	Appointm ent letter, Quarterly progress reports.' Completio n certificate s.
Street lights in CRDP wards (Verena and Wolwenkop)	76 Streetlight installed	Number of Street Lights installed and energised	76 Street Lights installed and energised by 30 June 2016	R900 000	R937 470	-R37 470	R 0	R 0	76 Street Lights installed and energised by 31 December 2015.	R 937 469.83	Yes	None	None	Appointm ent letter, Quarterly progress reports.' Completio n certificate s.
PMU	12 monthly Project monitoring reports submitted	Number of Weekly Project monitoring reports submitted (site visit reports) submitted to	Weekly Project monitoring reports submitted to the Municipal Manager by 30	In house	In house	In house	In house	In house	Weekly project monitoring reports submitted to Municipal manager by 30 June 2016.	None	Yes	None	None	Appointm ent letter, Quarterly progress reports.' Completio n certificate

Chapter 3

THLM	Capital Budget	Municipal Manager % of capital budget actually spent on capital projects identified	June 2016	In house	In house	In house	In house	Capital Budget	100% spent by 30 June 2016	In house (R 89 127 129.75)	Yes	Acceleration plan was put in place in January 2016 to expedite expenditure	None	S.
			100% spent by 30 April 2016	In house	In house	In house	In house							Section 71 Reports

Chapter 3

OPERATIONAL BUDGET

WATER									
THLM (free basic water)	6 kiloliters provided to households	Number of kiloliters provided to household at no charges (free basic water)	6 kiloliters provided to households on a monthly basis	In house	6 kiloliters provided to households on a monthly basis	In house	Yes	None	Statement
THLM (Water)	73,000 provided with access to water daily	Number of household provided with basic water service	96 138 households provided with basic water daily	R137 900 101	57 108 households provided with basic water daily	R 135 360 314.70	No	Insufficient supply (THLM doesn't have own source)	THLM busy implementing borehole projects and Moses river project (source) to be completed by 2016/17.
THLM (water samples)	158 water samples tested	Number of water samples tested	200 water samples tested by 30 June 2016	R380 000	331 water samples tested by 30 th June 2016	R 362 875.20	Yes	None	Water sample reports
THLM (Repairs and Maintenance to Network)	4 reports in place	Number of reports produced and submitted to the Municipal Manager on pipe bursts or	12 reports produced and submitted to the Municipal Manager by 30 June 2016 on pipe bursts or	R107 189	12 Water bursts and leakages reports but not signed by MM	R 107 189	Yes	None	12 reports produced and submitted Municipal Manager

Chapter 3

REPORTING PERIOD	PROJECT	ENGINEERING	DESIGN	CONSTRUCTION	COMPLETION	REPAIRS	LEAKAGES	1 report submitted	leakages	Number of reports submitted to the Municipal Manager on reservoir repairs	leakages	3 reports submitted to the Municipal Manager by 31 December 2015 on reservoir repairs	R0	3 reports done but not submitted to the Municipal Manager by 31 December 2015 on reservoir repairs	R0	100% bulk line, pumps, boreholes, reservoirs and valves repaired by 30 June 2016	R45 000 000	100% bulk line, pumps, boreholes, reservoirs and valves repaired by 30 June 2016	R45 000 000	Yes	None	Target was achieved on the 2 nd Quarter.	Reports were done but not submitted to MM.	3 reports produced and submitted to the Municipal Manager on pipe bursts or leakages	Approved business plan & progress reports
THLM (Refurbishment of Reservoirs)																									
THLM (WWTW: Bulk Infrastructure)																									
THLM	250 potholes need to be patched and also 50 speed humps	Number of potholes patched, speed hump constructed and road sign installed (Routine Main - Roads and Storm Water)	100 potholes patched, 20 speed humps constructed, 50 road sign installed by 30 June 2016	R600 000	168 potholes patched, 27 speed humps constructed, 46 road sign installed	R500 541.15	Yes	None	None	Happy letters from the Councillor															

Chapter 3

Ward	Project	Kilometre of road re-gravelled	3.5 km road re-gravelled by 31 March 2016	In house	4.1 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein A ward 28	New project	Kilometre of road re-gravelled	3.5 km road re-gravelled by 31 March 2016	In house	4.1 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein A ward 29	New project	Kilometre of road re-gravelled	2 km road re-gravelled by 31 March 2016	In house	4.8 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein B	New project	Kilometre of road re-gravelled	4.7 km road re-gravelled 31 March 2016	In house	4.9 km road re-gravelled 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein A ward 28 Ext 10	New project	Kilometre of road re-gravelled	2 km road re-gravelled by 31 March 2016	In house	2.4 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein C	New project	Kilometre of road re-gravelled	3.9 km road re-gravelled by 31 March 2016	In house	6.8 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein D	New project	Kilometre of road re-gravelled	2 km road re-gravelled by 31 March 2016	In house	2.2 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein E (Vre's)	New project	Kilometre of road re-gravelled	2.5 km road re-gravelled by 31 March 2016	In house	4.3 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Kwaggafontein A ward 27	New project	Kilometre of road re-gravelled	3.5 km road re-gravelled by 31 March 2016	In house	5.9 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor
Vlaaklagte No.2	New project	Kilometre of road re-gravelled	5 km road re-gravelled by 31 March 2016	In house	5 km road re-gravelled by 31 March 2016	In-house	Yes	None	None	Happy letter from the Councillor

Chapter 3

LOCATION	PROJECT	5km re-gravelled by 30 June 2016	In house	5km re-gravelled by 30 June 2016	In-house	Yes	None	None	Councillor
Tweefontein K new stand	New project	Kilometre of road re-gravelled							Happy letter from the Councillor
SANITATION									
Kwamhlanga and Tweefontein K (Waste water purification)	3500 households provided with access to basic sanitation daily	Number of households provided with access to sanitation	3500 households provided with access to basic sanitation daily	R1 600 000	2335 households provided with access to basic sanitation daily	No	None	None	Reports
THLM Monitoring and implementation of By-laws	New project	Number of by-laws monitored on an ongoing basis	2 by-laws monitored by 30 June 2016 Water supply & sanitation service by-law, Work-in-Roads Reserve by-law	In house	0	No	No monthly reports generated on monitoring of by-laws.	To submit monthly report on monitoring of by laws.	Monthly reports

Chapter 3

SOCIAL DEVELOPMENT SERVICES

The department of Social Development Services overall performance for 2015/2016 financial year is 46% achievement. The department managed to achieve 6 targets out of the 13 planned targets, as compared to 88% achieved in 2014/15 financial year out of 8 planned targets 7 targets was achieved

WATER									
THLM (free basic water)	6 kiloliters provided to households	Number of kiloliters provided to household at no charges (free basic water)	6 kiloliters provided to households on a monthly basis	In house	6 kiloliters provided to households on a monthly basis	In house	Yes	None	Statement
THLM (Water)	73,000 provided with access to water daily	Number of household provided with basic water service	96 138 households provided with basic water daily	R137 900 101	57 108 households provided with basic water daily	R 135 360 314.70	No	Insufficient supply (THLM doesn't have own source)	THLM busy implementing borehole projects and Moses river project (source) to be completed by 2016/17.
THLM (water samples)	158 water samples tested	Number of water samples tested	200 water samples tested by 30 June 2016	R380 000	331 water samples tested by 30 th June 2016	R 362 875.20	Yes	None	Water sample reports
THLM (Repairs)	4 reports in	Number of	12 reports	R107 189	12 Water bursts	R 107 189	Yes	None	12 reports

Chapter 3

ROADS AND STORM WATER																					
THLM	250 potholes need to be patched and also 50	Number of potholes patched, speed hump constructed	100 potholes patched, 20 speed humps constructed, 50 road sign	R600 000	168 potholes patched, 27 speed humps constructed, 46 road sign installed	R500 541.15	Yes	None	None	Happy letters from the Councillor											
and Maintenance to Network)	place	reports produced and submitted to the Municipal Manager on pipe bursts or leakages	produced and submitted to the Municipal Manager by 30 June 2016 on pipe bursts or leakages	R0	3 reports done but not submitted to the Municipal Manager by 31 December 2015 on reservoir repairs	R0	No	Target was achieved on the 2 nd Quarter.	Reports were done but not submitted to MM.	3 reports produced and submitted to the Municipal Manager on pipe bursts or leakages	produced and submitted Municipal Manager										
THLM (Refurbishment of Reservoirs)	1 report submitted	Number of reports submitted to the Municipal Manager on reservoir repairs	3 reports submitted to the Municipal Manager by 31 December 2015 on reservoir repairs	R0	3 reports done but not submitted to the Municipal Manager by 31 December 2015 on reservoir repairs	R0	No	Target was achieved on the 2 nd Quarter.	Reports were done but not submitted to MM.	3 reports produced and submitted to the Municipal Manager on pipe bursts or leakages	produced and submitted Municipal Manager										
THLM Bulk Infrastructure)	12 reports in place	% of bulk line, pumps, boreholes, reservoirs and valves repaired (WWTW: Bulk Infrastructure Water Service Operational grant)	100% bulk line, pumps, boreholes, reservoirs and valves repaired by 30 June 2016	R45 000 000	100% bulk line, pumps, boreholes, reservoirs and valves repaired by 30 June 2016	R45 000 000	Yes	None	None	Approved business plan & progress reports											

Chapter 3

LOCATION PROJECT	DESCRIPTION OF PROJECT	STATUS	DATE OF COMPLETION	LOCATION	STATUS	DATE OF COMPLETION	LOCATION	STATUS	DATE OF COMPLETION	LOCATION	STATUS	DATE OF COMPLETION	LOCATION	STATUS	DATE OF COMPLETION	LOCATION	STATUS	DATE OF COMPLETION	LOCATION	STATUS	DATE OF COMPLETION
	speed humps		Installed by 30 June 2016																		
Kwaggafontein A ward 28	New project	Kilometre of road re-gravelled	3.5 km road re-gravelled by 31 March 2016	In house																	
Kwaggafontein A ward 29	New project	Kilometre of road re-gravelled	2 km road re-gravelled by 31 March 2016	In house																	
Kwaggafontein B	New project	Kilometre of road re-gravelled	4.7 km road re-gravelled 31 March 2016	In house																	
Kwaggafontein A ward 28 Ext 10	New project	Kilometre of road re-gravelled	2 km road re-gravelled by 31 March 2016	In house																	
Kwaggafontein C	New project	Kilometre of road re-gravelled	3.9 km road re-gravelled by 31 March 2016	In house																	
Kwaggafontein D	New project	Kilometre of road re-gravelled	2 km road re-gravelled by 31 March 2016	In house																	
Kwaggafontein E (Vre's)	New project	Kilometre of road re-gravelled	2.5 km road re-gravelled by 31 March 2016	In house																	
Kwaggafontein A ward 27	New project	Kilometre of road re-gravelled	3.5 km road re-gravelled by 31 March 2016	In house																	

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SANITATION																		
Vlaaklakte No.2	New project	gravelled	March 2016	5 km road re-gravelled by 31 March 2016	In house	March 2016	In-house	Yes	None	None	Happy letter from the Councillor	Councillor						
Tweefontein K new stand	New project	Kilometre of road re-gravelled	5km re-gravelled by 30 June 2016	In house	5km re-gravelled by 30 June 2016	In-house	Yes	None	None	Happy letter from the Councillor	Councillor							
Kwamhlanga and Tweefontein K (Waste water purification)	3500 households provided with access to basic sanitation daily	Number of households provided with access to sanitation	3500 households provided with access to basic sanitation daily	R1 600 000	2335 households provided with access to basic sanitation daily	R 1 600 000.	No	None	Reports	Reports								
THLM Monitoring and implementation of By-laws	New project	Number of by-laws monitored on an ongoing basis	2 by-laws monitored by 30 June 2016	In house	0	In house	No	No monthly reports generated on monitoring of by-laws.	To submit monthly report on monitoring of by laws.	Monthly reports								

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KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

CORPORATE SERVICES

The department of Corporate Services overall performance for 2015/2016 financial year is 80% achievement. The department managed to achieve 20 targets out of the 25 planned targets, as compared to 59% achieved in 2014/15 financial year out of 17 planned targets 10 targets was achieved

Corporate Services (Training)	11 Councillors and 16 Officials trained	Number of Officials Trained	15 officials trained by 30 June 2016	R290 000	35 officials trained	176 418.76	Yes	None	None	Training reports and Council resolutions.
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Corporate Services (Training)	R 102 million spent	% of the municipal budget actually spent in implementing the workplace skills plan (WSP)	1% spent by 30 June 2016	Training budget	0.14% spent	176 418.76	No	Limited budget	Utilise own budget and discretionary funds	Training reports and Trial Balance
Corporate Services (Employment Equity)	5 people from employment equity target groups employed in top management	Number of people from employment equity target groups employed in top management	5 people from employment equity target groups employed in top management by 30 June 2016	In house	4 people from employment equity target groups employed in top management	In house	No	Resignation of the CFO in December 2015	Recruiting a new CFO who will commence on 11 July 2016.	Report on the status
Corporate Services WSP	WSP submitted on 28 May 2015	Number of WSP adopted by Council	1 WSP adopted by Council by 30 April 2016	In house	1 WSP completed submitted to LGSETA but not adopted by council	In house	No	WSP completed submitted to LGSETA but not adopted by council.	To be submitted in the first quarter.	Adopted WSP Council resolution
Corporate Services (EER & EEP)	Employment Equity Report submitted on 15 January 2015	Number of EER submitted to LGSETA	1 EER submitted by 31 January 2016	In house	1 EER submitted to LGSETA	In house	Yes	None	None	Proof of submission

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Item	Location	Description	the MFMA	the MFMA by 30 by June 2016	R1,090 000	210 Anti-virus License, 50 Microsoft Volume License, 1 Firewall License, 1 Scope License, 4 Server License, 4 server Warranty and 1 VIP License renewed	R848 144,30	Yes	Cash flow.	BTO to make payment by 30 July	Renewal Licence Certificate
Corporate Services (Software Licence)		ICT Licenses renewed	Number of ICT licenses renewed	210 Anti-virus License, 50 Microsoft Volume License, 1 Firewall License, 1 Scope License, 4 Server License, 4 server Warranty and 1 VIP License renewed by 30 June 2016							
Corporate Services		ICT Policy	Number of ICT policies reviewed and approved	6 ICT policies approved by Council by 31 January 2016. (Email, Internet, Change Management, Security, Telephone and backup policies)	In House	6 ICT policies approved by Council by 31 January 2016. (Email, Internet, Change Management, Security, Telephone backup and policies)	In House	Yes	None	None	Accepted policy and Council Resolution

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Corporate Services	ICT steering committee in place	Number of ICT steering committee sittings held	4 ICT steering committee held by 30 June 2016	In house	5 ICT steering committee held	In House	Yes	None	None	Attendance register and minutes
Corporate Services (Hardware repairs & Maintenance)	New project	Number of reports issued on repairs and maintenance of ICT equipment	4 reports issued by 30 June 2016 on repairs and maintenance of ICT equipment	R400 000	4 reports issued by 30 June 2016 on repairs and maintenance of ICT equipment	R429 994,50	Yes	Cash Flow	BTO to pay by 30 July 2016	Reports and Invoices
		(Computers, Council Chamber Recording system, Servers and Air conditioners)	(Computer and Laptop repairs (40.000)		(Council Chamber Recording system maintenance					
			(Council Chamber Recording system maintenance (80.000)		Servers maintenance as an when required					
			Servers maintenance		Air conditioners repairs and maintenance					

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		(130,000) as an when required	Air conditioners repairs and maintenance (150,000)	In house	Operational plan developed and implemented	In house	Yes	None	None	Operational plan
Corporate Services	Operational Plan	Develop and implement operational plan on 114 municipal fleet	Developed Operational Plan (OP) by 15 July 2015 and implemented monthly	In house	12 reports on fuel usage issued by 30 June 2016	4000 000	Yes	Insufficient fuel budget	To increase fuel budget	Report on the implementation of the operational plan
Corporate Services (Fuel)	12 monthly fuel reports	Number of reports issued on fuel usage (Fuel management system)	12 reports on fuel usage issued by 30 June 2016	R4 224 000	12 reports on fuel usage issued	R4 3000	Yes	Ageing fleet plus most of grounded fleet is operated	To procure the service of FML on white plant and small fleet	12 reports on fuel usage
Corporate Services	12 monthly repairs and maintenance reports	Number of reports issued on repairs and maintenance	12 reports on repairs and maintenance issued by 30 June 2016	R4 187 863.0	12 reports on repairs and maintenance issued	R4 187 863.0	Yes			12 monthly repairs and maintenance reports

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KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The department of Finance Services overall performance for 2015/2016 financial year is 65% achievement. The department managed to achieve 13 targets out of the 20 planned targets, as compared to 83% achieved in 2014/15 financial year out of 12 planned targets 10 targets was achieved

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RPA	Location Description	Revenue collected within the financial year	Revenue transferred by 30 June 2016	Budgetary Control Period	Actual Performance	Expenditure	Revenue	Comments	
Revenue collection		capital transfers collected by 30 June 2016							
		Broken down as follows:							
		1. Property Rates (R27 463)	In house	R944 098.00	In house	No	Customers are resisting to pay for services	Implementation of revised enhancement strategy on revenue collection	71 Monthly reports
		2. Service charges (R4 492)	In house	R2 317 875	In house	No	Customers are resisting to pay for services	Implementation of revised enhancement strategy on revenue collection	71 Monthly reports
		Investment Revenue (R2 582)	In house	R1 981 794.41	In house	No	Insufficient funds in reserve	Improve on collection of revenue	71 Monthly reports
		Other own Revenue (R27 827)	In house	R4 955 161.71	In house	No	No enforcement of by-laws	Implementations of Law –enforcement by-laws(e.g Traffic,Businesses,sales of stands, etc.	71 Monthly reports

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LOCATION	BASINE LINE	KEY PERIOD	REVISED MANUAL TARGET	ADJUSTED BUDGET	ACTUAL PERFORMANCE	EXPLANATORY NOTE	PERCENTAGE OF COMPLETION	PERCENTAGE OF EVIDENCE
SECURITY								
			(Transfers (R428 430))	In house	R484 586 034.79	In house	Yes	None
								71 Monthly reports
Financial Viability	12 monthly reports submitted to the Executive Mayor and National treasury	Number of MFMA Section 71 reports submitted to the Executive Mayor, National Treasury and Provincial Treasury within 10 working days after the end	12 monthly reports (Sec 71) submitted by 30 June 2016	In house	12 monthly reports (Sec 71) submitted by 30 June 2016	In house	Yes	None
								Proof of submission and 12 reports

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MUNICIPALITY OF BELL AND VILLAGE											
LOCATION	DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR	REVISIT	ADJUSTED ANNUAL BUDGET	ACTUALS	PERCENTAGE	STATUS	TARGET	SCORE	REMARKS
			of each month								
Financial Viability	4 quarterly SCM reports submitted to Council	Number of quarterly SCM reports submitted to Council	4 quarterly SCM reports submitted by 30 June 2016	In house	4 quarterly SCM reports submitted by 30 June 2016	In house	Yes	None	None	4 reports and council resolutions	
Financial Viability	4 quarterly financial statements submitted to council	Number of quarterly financial statements submitted to Council	4 quarterly financial statements submitted by 30 June 2016	In house	4 quarterly financial statements submitted by 30 June 2016	In house	Yes	None	None	Council resolution and reports	
Financial Viability	12 monthly bank reconciliation submitted	Number of monthly bank reconciliation submitted to the Municipal Manager	12 monthly bank reconciliations submitted to the Municipal Manager by 30 June 2016	In house	12 monthly bank reconciliations submitted to the Municipal Manager by 30 June 2016	In house	Yes	None	None	12 monthly bank reconciliations and proof of submission	
Financial Viability	2013/2014 Annual Financial Statement to	Compiled and submitted 2014/2015 Annual	AFS submitted to AG by 31 August 2015	In house	Compiled and submitted 2014/2015 Annual Financial	In house	Yes	None	None	Acknowledgement letter	

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KEY INDICATOR	LOCATION	DESIGN/TYPE	KEY PERSONNEL IN CHARGE	RESECTED TARGET GROUPS	CUSTOMER PAIN POINTS	EXISTING PERFORMANCE	EFFECTIVE EVIDENCE	SUBJECT OF THE REPORT	REPORT ON IMPLEMENTATION
Financial Viability	Assets register in place	Updated assets register by 30 June 2015	In house	Updated assets register by 30 June 2015	In house	Yes	None	Updated assets register	Report on the implementation of the valuation roll
Financial Viability	Revenue enhancement strategy in place	Implemented data cleansing process by 30 June 2016	In house	Implemented data cleansing process by 30 June 2016	In house	Yes	None	Report on data cleansing	Monthly reports
Financial Viability	Valuation roll in place	% of supplementary valuation roll implemented	R300 000	100% supplementary valuation roll implemented on a monthly basis	In house	Yes	None	Report on the implementation of the valuation roll	Monthly reports
TMLM Monitoring and Implementation of By-laws	New project	Number of by-laws monitored on an ongoing basis	In house	5 by-laws monitored by 30 June 2016 {Credit Control and Debt Collection by-law, Property Rates by-law, Tariff by-law.	In house	No	Shortage of staff to monitor by law	By-law implementation status report will form part of the section 71 reports	Monthly reports

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MUNICIPAL FINANCIAL VIABILITY AND RISK									
LOCATION	RESERVE LINE	PERIOD	REVISION	REVISION	2020-21	2021-22	2022-23	2023-24	2024-25
DESCRIPTION	LINE	PERIOD	REVISION	REVISION	2020-21	2021-22	2022-23	2023-24	2024-25
					Fixed Assets by-law, Indigent by-law}				

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KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager's overall performance for 2015/2016 financial year is 50% achievement. The department managed to achieve 16 targets out of the 32 planned targets, as compared to 94% achieved in 2014/15 financial year out of 31 planned targets 29 targets was achieved

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
LOCATION	DESCRIPTION	KEY PERFORMANCE INDICATOR	REASON FOR FAILURE	REASON FOR SUCCESS	REASON FOR FAILURE	REASON FOR SUCCESS	REASON FOR FAILURE	REASON FOR SUCCESS	REASON FOR FAILURE	REASON FOR SUCCESS
IDP										
Good governance	Reviewed and approved 2015/2016 IDP in place	Developed and adopted IDP	Adopted IDP by 31 May 2016	In house	Adopted 1 IDP on 1 June 2016	None	Yes	None	None	Council resolution and IDP
Good governance	1 IDP and Budget Indaba held	Number of IDP and Budget Indaba held	1 IDP and Budget Indaba held by 31 May 2016	In house	1 IDP/Budget Indaba held on 6 th of May 2016	None	Yes	None	None	Attendance register and report
PERFORMANCE MANAGEMENT SYSTEM										

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GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
LOCATION	PERFORMANCE LINE	KEY REPORT	REACHED TARGET	REACHED TARGET	REACHED TARGET	REACHED TARGET	REACHED TARGET	REACHED TARGET	REACHED TARGET	
DESCRIPTION	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	
Good governance	2013/2014 annual performance report submitted	Compiled and submitted 2014/2015 annual performance report to the office of the Auditor General	Submitted 2014/2015 annual performance report to the office of the Auditor General by 31 August 2015	In house	Compiled and submitted annual performance report to the office of the Auditor General On the 31 st of August 2015	In house	Yes	None	None	Acknowledgement letter
Good governance and public participation	Approved 2013/2014 annual report in place	tabled the 2014/2015 annual report to Council	2014/2015 annual report table to Council by Executive Mayor by 31 January 2016	In house	Draft Annual report compiled to and submitted to AG on the 2 nd of September 2015	In house	No	The unaudited draft annual report was submitted late due to management oversight	Unaudited annual report to be submitted by 31 August 2016	Council resolution; proof of submission to NT, PT, COGTA and AG; and Annual report
Good governance and public participation	2014/2015 Mid-year budget and performance assessment submitted	Submitted Mid-year budget and performance assessment to the Executive Mayor, National Treasury and Provincial Treasury	Mid-year budget and performance assessment submitted to the Executive Mayor, National Treasury and Provincial Treasury by 25 January 2016	In house	Mid-year budget and performance assessment submitted to the Executive Mayor, National Treasury and Provincial Treasury by 25 January 2016	In house	Yes	None	None	Council resolution, proof of submission to NT & PT, and report

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GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
LOCATION	BASELINE YEAR AND PERFORMANCE ASSESSMENT IN PLACE	2014/2015 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT TO COUNCIL	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016	2016/2017 PMS POLICY FRAMEWORK BY 30 JUNE 2016
Good governance and public participation	2014/2015 Mid-year budget and performance assessment in place	2016/2017 PMS Policy Framework is in place and implemented	Reviewed and adopted 2016/2017 Performance Management System Policy Framework and action plan	Number of performance reports submitted to Internal Audit and Executive Mayor per annum	4 approved performance reports in place	4 performance reports submitted to Internal Audit and Executive Mayor by 30 June 2016	In house	4 performance reports submitted to Internal Audit and Executive Mayor by 30 June 2016	In house
Good governance and public participation	2016/2017 PMS Policy Framework is in place and implemented	Reviewed and adopted 2016/2017 Performance Management System Policy Framework and action plan	Number of performance reports submitted to Internal Audit and Executive Mayor per annum	4 approved performance reports in place	4 performance reports submitted to Internal Audit and Executive Mayor by 30 June 2016	In house	4 performance reports submitted to Internal Audit and Executive Mayor by 30 June 2016	In house	In house
Good governance and public participation	2016/2017 PMS Policy Framework is in place and implemented	Reviewed and adopted 2016/2017 Performance Management System Policy Framework and action plan	Number of performance reports submitted to Internal Audit and Executive Mayor per annum	4 approved performance reports in place	4 performance reports submitted to Internal Audit and Executive Mayor by 30 June 2016	In house	4 performance reports submitted to Internal Audit and Executive Mayor by 30 June 2016	In house	In house

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LOCATION	DESCRIPTION	BASELINE	PERFORMANCE INDICATOR	PERIOD	APPROVED	REVIEWED	APPROVED	REVIEWED	APPROVED	REVIEWED	APPROVED	REVIEWED	APPROVED	REVIEWED	APPROVED	REVIEWED	APPROVED	REVIEWED
Good governance and public participation	Approved SDBIP in place	Developed and approved 2016/17 SDBIP	Consideration and approval of 2016/17 SDBIP by the Executive Mayor within 28 days after the passing of budget	In house	Consideration and approval of 2016/17 SDBIP by the Executive Mayor within 28 days after the passing of budget	In house	Yes	None	None	2016/17 Performance agreements to be signed by 31 July 2016	5 signed performance agreements	Approved and signed SDBIP						
Good governance and public participation	2014/2015 signed performance agreements in place	Number of signed performance agreements for section 56 manager	5 signed performance agreements by 30 July 2015	In house	4 signed performance agreements	In house	No	SDS Manager did not signed the performance agreements due to some personal reason	2016/17 Performance agreements to be signed by 31 July 2016	5 signed performance agreements								
Good governance and public participation	1 performance assessment conducted	Number of performance assessment conducted for section 56 managers and Municipal Manager	4 performance assessments conducted by 30 June 2016	In house	No Performance Assessments conducted	In house	No	Assistant Manager was appointed at the end of mid-year due to work overload she could not conduct section 56 assessment	Section 56 annual assessment to be conducted by 31 August 2016	Performance assessment report								

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LOCAL GOVERNANCE AND PUBLIC PARTICIPATION									
LOCATION	BASELINE	KEY PERFORMANCE INDICATOR	REVISIT	REVISIT	REVISIT	REVISIT	REVISIT	REVISIT	REVISIT
DESCRIPTION	LINE	INDICATOR	REVISIT	REVISIT	REVISIT	REVISIT	REVISIT	REVISIT	REVISIT
INTERNAL AUDIT									
Good Governance And Public Participation	Audit Plans in place	Tabled Audit Plans (Three-year rolling and annual operational plan) for approval by the Audit committee	Approved Audit Plans by 30 June 2016	In house	Audit Plans (Three-year rolling and annual operational plan) are approved by the Audit committee	In-house	Yes	None	Approved Audit plan and minutes of the AC meeting
Good Governance And Public Participation	4 quarterly reports submitted	Number of internal reports submitted to the Committee	4 quarterly reports submitted by 30 June 2016	In house	4 quarterly reports were submitted to audit committee	In-house	Yes	None	Quarterly reports presented to the AC and minutes
Good Governance And Public Participation	2 Audit charter workshops conducted	Number of Audit charter workshops conducted	2 Audit charter workshops conducted by 30 June 2016	In house	Workshop on audit charter not conducted	In house	No	Hand over by former CIA was on 20 th of May 2016 which left the unit under pressure as there were many activities	Attendance registers

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REPORT ON GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
LOCATION	PERFORMANCE TARGET	KEY PERFORMANCE INDICATOR	PERFORMANCE TARGET	REVISIONS	REVISIONS	REVISIONS	REVISIONS	REVISIONS	REVISIONS	REVISIONS
DESCRIPTION	11/2015	11/2015	11/2015	11/2015	11/2015	11/2015	11/2015	11/2015	11/2015	11/2015
Good Governance And Public Participation	4 meeting held	Number of Audit Committee meetings held	4 meetings held by 30 June 2015	R100 000	4 audit committee meetings held	R88 117.92	Yes	None	to be finalized before 30 June 2016	Attendance registers and minutes
Good Governance And Public Participation	3 Audit Committee reports submitted to Council	Number of Audit Committee reports submitted to Council	4 Committee reports submitted to Council by 30 June 2016	In house	3 Audit Committee reports were submitted to Council	In house	No	The report was not tabled to council due to postponement of council meeting	To be tabled to Council on the 19th July 2016	AC Reports to Council & Council minutes
OFFICE OF THE MAYOR										

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GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
LOCATION	BASELINE	KEY PERFORMER	REISED	ADJUSTED	ADJUSTED	ADJUSTED	ADJUSTED	ADJUSTED	ADJUSTED
DESCRIPTION	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Good governance and public participation	384 ward committee meetings held	Number of ward committee meetings held	384 meeting held by 30 June 2016	In house	384 ward committee meetings held	In house	Yes	None	Minutes and attendance register
OFFICE OF THE SPEAKER									
Good governance and public participation	2 workshop programmes conducted	Number of workshops conducted for Councillors and Ward Committee members	1 workshop programmes conducted for ward committee and councillors by 31 December 2015	In house	1 workshop programmes conducted for ward committee and councillors	In house	Yes	None	Report and attendance registers
Good governance and public participation	100 Mayoral outreach conducted	Number of Mayoral outreach conducted	75 Mayoral outreach conducted by 30 April 2016	In house	71 Mayoral outreach conducted	In house	No	Business Stakeholder meeting could not sit because of non-attendance since the meeting was arranged during business hours (15H00 to 17H00).	Report and attendance registers

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GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
LOCATION	BASELINE	KEY PERFORMANCE INDICATOR	REACHED TARGET	ACTUAL	BUDGET	PERCENTAGE	REACHED TARGET	ACTUAL	BUDGET	
DESCRIPTION	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
Good governance and public participation	1 ward committee indaba held	Number of Ward Committee indaba held	1 ward committee indaba held by 31 December 2015	R100 000	0	R0	No	Ward Committee indaba could not be held because of inadequate funds. R100 000 allocate to this event was not enough.	In order to hold a successful ward committee indaba there should be R150 000 added to R100 000 to make a total of R250 000.	Reports and attendance registers
YOUTH DEVELOPMENT										
Good governance and public participation	2 youth outreach conducted	Number of youth outreach conducted	2 youth outreach conducted by 30 June 2016	In-house	2 youth outreach conducted	In-house	Yes	None	None	Attendance register and reports
Good governance and public participation	1	Number of Career Expo held	1 Career Expo held by 30 June 2016	In house	1 career expo conducted	In house	Yes	No budget allocation	None	Attendance register and reports
Good governance and public participation	New project	Developed integrated youth	Integrated Youth Development Strategy approved	In house	Draft youth development strategy	In house	No	Lack of budget to conduct skills audit	To be finalised and adopted by council in the	Approved integrated youth Development

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2005 GOVERNANCE DELIVERY PERFORMANCE									
LOCATION	BASELINE LEVEL 2005	KEY PERFORM- ANCE INDICATORS	REACHED TARGET 2006	ADJUSTED VALUE BUDGET 2006	2006 ACTUAL PERFORMANCE	EXPLANATION TO DIFFERENCE	REASON FOR VARIANCE	REASON FOR VARIANCE	REASON FOR VARIANCE
participation		Development Strategy	by 30 June 2016						second quarter of 2016/2017
RISK MANAGEMENT									
Good governance and public participation	4 quarterly Risk Management reports	Number quarterly Risk Management reports submitted to RMC and AC	4 quarterly Risk Management reports submitted to RMC and AC by 30 June 2016	In house	3 Quarterly Risk Management reports submitted to RMC and AC	In house	No	Vacant position of CRO	TO ensure that Quarterly Risk Reports are compiled and submitted to RMC and AC
Good governance and public participation	Compliance Register in place	Number quarterly compliance report submitted	4 quarterly compliance reports submitted to RMC by 30 June 2016	In house	3 quarterly compliance reports submitted to RMC	In house	No	Vacant position of CRO	TO ensure that Compliance Reports are compiled and submitted to RMC
Good governance and public participation	2014/2015 risk register	Developed and adopted risk register	Adopted Risk Register by 30 June 2016	In house	0	In house	No	2015/16 Risk Register was submitted to Mayoral Committee but never went to	To ensure that annual risk register is adopted by council in time
									Risk register and Council Resolution

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REPRESENTATIVE PARTICIPATION												
LOCATION	DESCRIPTION	BASELINE DATE	PERFORMER TARGET INDICATOR	REMOVED ANNUAL TARGET 30/6/2016	ADJUSTED ANNUAL BUDGET TARGET 30/6/2016	PERFORMER ACTUAL PERIOD 30/6/2016	RISK	EXPIRATION DATE	EXPIRATION DATE	COMPLIANCE RATING	ATTENDANCE REGISTER	PHOTOS
Good governance and public participation	4 meetings held		Number of risk management committee meetings conducted	4 management committee meetings conducted by 30 June 2016	In house	3 management committee meetings conducted	Risk	In house	No	Vacant position of CRO	To ensure that RMC meeting are convened accordingly.	Attendance register, minutes and agenda
COMMUNICATION												
Good governance and public participation	Approved 2014/2015 Communication Strategy in place	Reviewed and approved Communication Strategy	1 Approved Communication Strategy by 30 September 2015	In house	Draft communication strategy	In house	No	The report was prepared due to prioritisation of other items	To be submitted to next Council sitting in September 2016	Approved Communication Strategy and council resolution		
Good governance and public participation	3 media engagement sessions	Number of Media Engagement Session	2 media engagement sessions held by 30 June 2016	In house	1 media engagement sessions held	In house	No	No formal media engagement were done but one on one engagement	To request acknowledgement of engagement	Attendance register Photos		

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GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
KEY LOCATION DESCRIPTION	PERIOD	TYPE OF ACTIVITY	NUMBER OF PARTICIPANTS	NUMBER OF MEDIA STATEMENTS PRODUCED	DATE OF ACTIVITY	DATE OF MEDIA STATEMENT	STATUS OF ACTIVITY	STATUS OF MEDIA STATEMENT	REMARKS
Good governance and public participation		4 Media statements	Number Media statement produced	4 Media statements produced by 30 June 2016	In house	4 Media statements produced	In house	4 Media statements produced	Media statements
Good governance and public participation		Annual presidential hotline report in place	Number of presidential hotline reports submitted to the Municipal Manager	4 presidential hotline reports submitted by 30 June 2016	In house	1 presidential hotline reports submitted	In house	Lack personnel	4 presidential hotline reports

KPA: LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT

The department of Local Economic Development overall performance for 2015/2016 financial year is 67% achievement. The department managed to achieve 6 targets out of the 9 planned targets, as compared to 80% achieved in 2014/15 financial year out of 5 planned targets 4 targets was achieved.

LOCAL ECONOMIC DEVELOPMENT

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LOCATION	DESCRIPTION	BASELINE 2015/2016	INTERIM PERFORMANCE 2016/2017	REvised ANNUAL TARGET 2016/2017	JUSTIFIED ANNUAL PERFORMANCE 2016/2017	IN house	Yes	None	None	Attendance registers and reports
Local Development	Economic SMMEs trained on Business Management Skills	66 SMMEs trained on Business Management Skills	Number of SMMEs trained on Business Management Skills	20 SMMEs trained by 30 June 2016	In house	38 SMMEs Trained	In house	Yes	None	Attendance registers and reports
Local Economic Development	LED outreach conducted	4 LED outreach conducted	Number of LED outreach conducted (Mass economic opportunities)	4 LED outreaches conducted by 30 June 2016	In house	4 LED outreach meetings held	In house	Yes	None	Attendance register and minutes
Local Economic Development	Cooperatives/ Klipfontein	New project	Number of cooperatives project meetings held	4 cooperative meetings held by 30 June 2016	In house	4 Meetings held with cooperative	In house	Yes	None	Minutes and attendance register
Local Economic Development	Moloto Rail corridor	New project	Number of meetings held with local people on rail corridor	2 meetings held by 30 June 2016	In house	2 Meetings held with local people on Moloto Corridor	In house	Yes	None	Reports and attendance register

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Local Economic Development	LED forum established	Number of LED forum meetings facilitated	4 LED forum meetings facilitated by 30 June 2016	In house	3 LED forum meetings facilitated	In house	No	Could not sit because of lack of quorum due to Election activities	Programme to be drafted in a manner that does not coincide with elections	Minutes and attendance register
Local Economic Development	Report of LED forum to Mayoral committee	Number of reports submitted to Mayoral Committee	2 LED reports submitted to Mayoral by 30 June 2016	In house	1 Report presented to Mayoral committee meeting	In house	No	Mayoral committee only entertained budget & IDP items	Will be submitted in the next committee meeting ensuing	Agenda and attendance register
Local Economic Development(Advancement of Thembisile)	New activity	Number of meetings held with Big Business and SMMEs	4 meetings held with Big Business and SMMEs by 30 June 2016	In house	2 meetings held with Big Business and SMME's	In house	No	Poor attendance	Dates to be scheduled when businesses are less busy (mid-month)	Minutes and attendance register
Local Economic Development(Cooperatives development and support)	New activity	Number of assessments conducted with cooperatives	2 assessments conducted with cooperatives by 31 March 2016	In house	2 assessment of cooperatives conducted	In house	Yes	None	None	reports and attendance register
Local Economic Development	New project	Number of Local Reference Committee meetings held	4 Local Reference Committee meetings held by 30 June 2016	In house	4 meetings of the Local Reference Committee held.	In house	Yes	None	None	Minutes and attendance register

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3.24 FINANCE

AUDIT COMMITTEE ANNUAL REPORT 2015/16

We are pleased to present our report for the financial year ended 30 June 2016.

1. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

2. Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Name of Member	Number of meetings attended
SAB Ngobeni (Chairperson)	06 out of 6
T Matabane	04 out of 6
Z Nzimande	04 out of 6

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, which were then raised with the municipality.

There has been an improvement in the system of internal control of the municipality and reducing qualification issues of previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review there was consistent monitoring of action plans and progress.

3. In-Year Management and Monthly/Quarterly Report

The municipality has monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

Chapter 3

4. Performance Management

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and increasing capacity within the performance management unit.

5. Risk Management

The AC is of the opinion that municipality's risk management appears to be effective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has a sound and effective approach has been followed in developing strategic risk management plans and there is an sense of appreciation of the impact of the municipality's risk management framework on the control environment.

Furthermore, the AC did review the municipality's fraud prevention plan so as to be satisfied that the municipality has appropriate processes and systems in place to capture, monitor and effectively investigate fraudulent activities.

7. Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Internal Audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

8. Internal Audit

The AC is satisfied with the effectiveness of Internal Audit, and commend Management and Council for capacitating this unit. The above conclusion is based on:

- Reviewal with management and approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organisational structure of the Internal Audit Unit;
- Implementation of the approved the annual internal audit plan and all major changes to the plan.
- There were no unjustified restrictions or limitations on work of the internal audit.
- Review with Chief Internal Auditor the internal audit budget, resource plan, activities, and organizational structure of the internal audit function;
- Compliance with the IIA's international standards for the professional practice by Internal Auditing unit
- Implementation of remedial action plan on internal audit findings by management.

Chapter 3

9. External Audit

The AC did review the Auditor-General's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2014/15 financial year; and On a regular basis, met separately with the Auditor-General to discuss any matters that the committee or auditors believe should be discussed privately.

Furthermore, the AC evaluated management responses to the reports or findings of the Auditor-General on quarterly basis.

10. Consequence Management

The municipality is in the process of developing a consequence management framework for implementation.

11. Combined Assurance Framework

The AC commends management for the development of combined assurance framework.

12. Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Executive Mayor for his support, Councillors, senior management for their efforts and internal audit for their contribution.



SAB Ngoben (Mr)
Chairperson of the Audit Committee
Thembisile Hani Local Municipality
30 November 2016

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Thembisile Hani Local Municipality strives towards the improvement of Municipal performance and individual development of municipal employees. Focuses on the methodologies, and achievements, strategic planning, organizational design, leadership development, coaching, diversity, and balance between life and work. Analysis objectives, structure, policy, human resources and compensation of the Municipality.

Thembisile Hani Local Municipality top structure is as attached (Annexure C)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

DEPART MENT	2013/2 014	2014/2 015	2015/2 016	2013/2 014	2014/2 015	2015/2 016	2013/2 014	2014/2 015	2015/2 016	2013/2 014	2014/2 015	2015/2 016
	Total no. of post appro ved	Total no. of post appro ved	Total no. of post appro ved	Numb er of filled post	Numb er of filled post	Numb er of filled post	Numb er of vacant posts	Numb er of vacant posts	Numb er of vacant posts	% of vacan cy	% of vacan cy	% of vacan cy
Political office	12	12	14	12	12	14	0	0	0	0%	0%	0
Municipal Manager	16	16	19	14	13	18	2	3	1	12%	19%	10
Corporate services	38	38	42	34	33	41	4	5	1	11%	13%	2.43
Finance	45	46	35	33	31	34	14	15	1	31%	33%	2.8
SDS	201	238	129	138	138	160	63	100	6	29%	42%	4.3
Technical	232	237	167	182	174	123	50	63	7	22%	27%	3.8
Total	544	587	406	413	401	390	133	186	16	23%	32%	4%

Chapter 4

Municipal Manager 30/06/2016			
Category	Number of posts	Number of posts with relevant qualifications	Percentage of posts with relevant qualifications
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S57 Managers (excluding Finance Posts)	3	0	0%
Other S57 Managers (Finance posts)	0	0	0%
Municipal Police	0	0	0%
Fire fighters	0	0	0%
Senior management: Levels 13-15 (excluding Finance Posts)	15	0	0%
Senior management: Levels 13-15 (Finance posts)	5	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	39	1	2.6%
Highly skilled supervision: levels 9-12 (Finance posts)	7	0	0%
Total	74	1	1.4%

Chapter 4

T4.1.3			
	Nb.	Nb.	
2013/2014	38	13	34%
2014/2015	7	12	171%
2015/2016	18	26	1.4%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T4.1.3

COMMENT ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 186 or 32%. Critical positions are filled from time to time.

The status of the section 57 managers is as follows:-

Designation	Status
Municipal Manager	Filled
CFO	vacant
Manager : Technical services	Filled
Manager :Social Development Services	Filled
Manager :Corporate	Filled

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The current workforce is 390 employees. The Municipality has approved policies on which employees are inducted.

4.2 POLICIES

Municipal Policies (10/07/2015)				Municipal Policies (10/07/2015)			
Policy Number	Policy Name	Approved by Council	Approved by Council	Policy Number	Policy Name	Approved by Council	Approved by Council
1	Code of Conduct for employees	100%	100%	1-May-2007	100%	100%	1-May-2007
2	Delegations, Authorisation & Responsibility	100%	100%	5-August 2011	100%	100%	5-August 2011
3	Disciplinary Code and Procedures	100%	100%	1-May-07	100%	100%	1-May-07
4	Essential Services	100%	100%	1-May-2007	100%	100%	1-May-2007
5	Employment Equity	100%	100%	1-Jul-2011	100%	100%	1-Jul-2011
6	Grievance Procedures	100%	100%	1-May-2007	100%	100%	1-May-2007
7	Human Resource and Development	100%	100%	5-Aug-2011	100%	100%	October 2015 - 2011
8	Information Technology	100%	100%	10-Jul-2012	100%	100%	10-Jul-2012
9	Occupational Health and Safety	100%	100%	31 May 2013	100%	100%	October 2015
10	Official Housing	100%	100%	1-May-2007	100%	100%	1-May-2007
11	Official Journeys	100%	100%	31May2013	100%	100%	31May2013
12	Official Working Hours and Overtime	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011

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13	Organisational Rights	100%	100%	1-May-2007	100%	100%	1-May-2007
14	Performance Management and Development	100%	100%	31 January 2013	100%	100%	31 May 2013
15	Recruitment, Selection and Appointments	100%	100%	5-Aug-2011	100%	100%	October 2015
16	Remuneration Scales and Allowances	100%	100%	2-Nov-2011	100%	100%	2-Nov-2011
17	Sexual Harassment	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
18	Skills Development	100%	100%	5-Aug-2011	100%	100%	October 2015
19	Smoking	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
20	Other: Retention policy	100%	100%	31 May 2013	100%	100%	31 May 2013
21	Employee Assistance Programme policy	100%		October 2015	100%		October 2015
22	HIV/AIDS policy	100%		October 2015	100%		October 2015
23							
Use name of local policies if different from above and at any other HR policies not listed.							

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Summary of Incidents of Injury and Sickness					
Type of Injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total Estimated cost
	Days	No.	%	Days	R'000
Required basic medical attention only	96	4	4.2%	0.04	54313.00
Temporary total disablement					
Permanent disablement					
Total	96	4	4.2%	0.04	54 313.00

Chapter 4

Number of days and Cost of Absence (excluding holidays and 100%)						
Category/Level	Total Days	Percentage of total employees (%)	Number of employees (No.)	Number of employees (No.)	Average cost per employee (R)	Total cost (R)
Level 0-2	5	0%	1	4	1.25	
Level 3	48	8,3%	8	22	2.18	
Level 4	11		3	9	1.22	
Level 5	218	1,4%	12	32	6.81	
Level 6	234	2%	8	16	14.63	
Level 7	53	13%	8	17	3.11	
Level 8						
Level 9	9	33%	3	15	0.6	
Level 10	100	4%	18	80	1.25	
Level 11	93	5,4%	5	12	7.75	
Level 12	110	6,4%	11	36	3.05	
Level 13						
Level 14						
Level 15	124	12%	16	147	0.84	
Total	1005	85.5%	93	390	42.69	0

COMMENT ON INJURY AND SICK LEAVE

The municipality has experience some injuries which have been dealt with in terms of applicable legislation as well as sick leave.

Chapter 4

4.4 PERFORMANCE REWARDS

No Performance Rewards were issued during the 2015/2016 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

As the MSA 2000 section 68 prescribes that it is requirement that municipalities need to develop their own human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Currently in compliance to the above statement Thembisile Hani Local Municipality has a Work Skills Plan that is approved to ensure that all employees are capacitated/empowered with the necessary information on training and development, which then provides all incumbents access to relevant prioritized training interventions that are needs driven and are aligned to the business objectives by optimally developing the potential of employees.

4.5 SKILLS DEVELOPMENT AND TRAINING

Progress report about the enforcement of the minimum competency regulations

BACKGROUND

Thembisile Hani LM made a formal request to NT to be considered for a special merit case with regards to the minimum competency standards. The merit was granted to the municipality in November 2012.

PROGRESS

Below, is a list of Assistant Managers and officials below that level that are attending the Municipal Finance Management Programme (MFMP) (NQF Level 5) with the University of Pretoria: viz;

1. Ms. Ntuli FNA
2. Ms. Matladi N
3. Ms. Wright SE
4. Ms. Sekhukhune N
5. Ms. Legodi M
6. Ms. Maseko JS
7. Mr. Diphofa HB
8. Mr. Ntimane TM
9. Mr. Baloyi T
10. Ms. Baloyi-Mdaka L
11. Ms. Moripe KS
12. Mr. Makhubele R.

The following Councilors are also on the MFMP (NQF Level 6) three of which are enrolled with the University of Pretoria, and the fourth on the list is enrolled with Kgolo Institute.

1. Cllr. Moseri PP
2. Cllr. Dube SS
3. Cllr. Mtsweni LX
4. Cllr. Kabine HM

Chapter 4

Other interventions

Training interventions are targeted for implementation in the Municipal Finance Management Programme for municipal officials (for 12 months)

The budget for 2015/16 WSP is R 290 000.00 and the expenditure is R 265 858.00

Comments: Discretionary Grant= R144 000.00

Mandatory Grant: =R 62 706.30

Total = R 206 706.30

Financial Competency Development: Progress Report*						
Category	A Number of officers employed by municipality at start of financial year	B Number of officers employed by municipal entity (including acting and honorary)	C Combined Total of A and B	D Number of officers who completed training between 1 March and 31 Dec	E Combined Number of officers employed where performance improvement can apply with training (D/E x 100%)	F Combined number of officers who completed training (D/E x 100%)
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	0	0	0	0	0	0
Snr. Managers	3	0	3	3	3	2
Any other financial officials	36	0	36	0	0	6
Supply Chain Management Officials						
Heads of supply chain in management units	1	0	1	0	0	1
Supply Chain management senior managers	0	0	0	0	0	0

Chapter 4

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the Thembisile Hani Local Municipality. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel is employed to meet the mandate of the municipality in service delivery to the community as well as obtaining its objectives.

There is a strong national drive for creating employment and municipalities are one arm of government that normally feels the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the Thembisile Hani Local Municipality must be recognized. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism). Performance management is of utmost importance to increase the efficiency and thus output of the workforce. There is still a way to go in implementing necessary measures and controls with the necessary buy-in of the employees.

4.6 EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE

The expenditure on employment costs at the Thembisile Hani Local Municipality seems to be stable and is in line with other similar municipalities. The financial interests of the Executive Mayor, Councillors and Senior Management, as required by PM Regulations 805 of 2006 are set out in **Appendix H**.

- No employee whose salaries were increased due to their position being upgraded.
- No employee whose salary level exceed the grade determined by Job evaluation
- No employee not appointed to posts not approved.

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Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Cash Flow Management and Investments

Component D: Other financial matters

The Municipality on its annual budget catered for any inflationary related surprises, and it also had a plan to negotiate with its Creditors. Also the Demand Management Unit within the SCM Unit was proactive in addressing all this. There is no expensive consultancy arrangement that can be singled out however the Municipality was smart in handling them and was satisfied with the amounts paid to them.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL SUMMARY						
Description	2014/15	Current Year 2015/16			2015/2016 Actual	Variance to Actual
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual Outcome	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
Financial Performance						
Property rates	44 693	57 411	57 411	33 184	57.80%	57.80%
Service charges	94 696	59 265	63 885	102 776	160.88%	173.42%
Investment revenue	4 104	2 704	4 905	10 066	205.22%	372.27%
Transfers recognised – operational	283 515	309 291	339 291	390 998	116%	126.42%
Other own revenue	62 563	60 400	47 618	40 449	84.95%	66.97%
Total Revenue (excluding capital transfers and contributions)	489 571	488 837	513 110	577 473	112.55%	118%
Employee costs	108 431	107 341	119 286	108 510	90.97%	101.09%
Remuneration of councillors	18 401	18 462	20 043	20 009	99.83%	108.38%
Depreciation & asset impairment	140 622	151 000	151 000	133 531	88.44%	88.44%
Finance charges	661	0	0	396	0%	0%
Materials and bulk purchases	99 989	150 741	137 510	119 250	86.72%	79.11%
Transfers and grants	13 231	18 562	6 669	57 467	861.71%	309.60

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Other expenditure	160 540	183 838	182 229	298 267	163.68%	162.25%
Total Expenditure	(541 875)	(629 944)	(616 737)	(737 430)	119.57%	117.07%
Surplus/(Deficit)	27 033	292 008	(103 627)	(159 957)	154.36%	54.78%
Transfers recognised – capital	79 337	120 239	89 139	125 087	140.33%	104.04%
Contributions recognised – capital & contributed assets	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	27 033	(20 868)	(14 488)	(34 870)	(240.68%)	(167.10%)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/(Deficit) for the year	27 033	(20 868)	(14 488)	(34 870)	(240.68%)	(167.10%)
Capital expenditure & funds sources						
Capital expenditure	113 650	119 139	125 087	125 087	105 %	100
Transfers recognised – capital	113 650	119 139	125 087	125 087	105%	100
Public contributions & donations	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–
Total sources of capital funds	113 650	119 139	125 087	125 087	105%	100%
Financial position						
Total current assets	230 480	145 551	145 551	198 278	136.23%	136.23%
Total non current assets	1 913 503	1 693 166	1 693 166	1 882 293	111.17%	111.17%
Total current liabilities	150 227	59 698	59 698	112 911	189.14%	189.14%
Total non current liabilities	24 291	22 068	22 068	22 673	102.75%	102.75%
Community wealth/Equity	1 969 465	1 756 951	1 756 951	1 944 985	110.71%	110.71%
Cash flows						
Net cash from (used) operating	148 867	116 339	116 339	94 603	81.32%	81.32%
Net cash from (used) investing	(112 956)	(116 339)	(116 339)	(112 212)	96.46%	96.46%
Net cash from (used) financing	–	–	–	–	–	–
Cash/cash equivalents at the year end	41 211	100	100	68 832	68838%	68838%

COMMENT ON OPERATING TRANSFERS AND GRANTS

Operational grants for the financial year under review from national government is on average 100% received, with the equitable share grant spending at 100%.

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5.2 GRANTS

	2017/18 Budget	2017/18 Actual	2017/18 Variance	2017/18 Actual	2017/18 Variance	2017/18 Variance
					(%)	(%)
Operating Transfers and Grants						
National Government:	247 290 000					
Equitable share	237 008 000	288 644	0	288 644	100%	0%
Municipal Systems Improvement	890 000	930	0	930	100%	0%
Department of Water Affairs	5 000 000					
Levy replacement	0					
Other transfers/grants [insert description]	4 392 000	19 717	43 000	62 717	0%	0%
Provincial Government:	0	0	0		0%	0%
Health subsidy	0	0	0	0	0%	0%
Housing	0	0	0	0	0%	0%
Ambulance subsidy	0	0	0	0	0%	0%
Sports and Recreation	0	0	0	0	0%	0%
Other transfers/grants [insert description]	0	0	0	0	0%	0%
District Municipality:	0	0	0	0	0%	0%
nNkangala District Municipality	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Other grant providers:	0	0	0	0	0%	0%
[insert description]	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Total Operating Transfers and Grants	247 290 000	276 515 000	275 755 000	275 755 000	100%	100%

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in Thembisile Hani Local municipality is to ensure the effective and efficient control, utilization, safeguarding and management of the municipal's property, plant and equipment and to make managers aware of their responsibilities in regard of property, plant and equipment.

COMMENT ON ASSET MANAGEMENT

The above projects were driven by the PMU Unit. The grants are received from government to improve infrastructure assets in various areas for better living conditions these assets are grant funded and budget were approved for these capital projects and for audit purposes these assets were signed off with a complete certificate that were obtain from different contractors before these projects could have been signed off for completeness for audit purposes.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

YEAR	LIQUIDITY RATIO
2014/2015	1:5
2015/2016	1:7

COMMENT ON LIQUIDITY RATIO

YEAR	Outstanding service debtor to revenue
2013/2014	24 day
2014/2015	11 days
2015/2016	457 days

COMMENT ON OUTSTANDING SERVICE DEBTOR TO REVENUE

Debtors as extension beyond 30 days poses a cash flow risk in the table above the extended payment are beyond acceptability. The debt coverage ratio is not stable during the last two financial periods as the result of non-stable operating income and low collection of own income.

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Thembisile Hani Local Municipality's capital budget is mainly funded from the MIG and internal funds. The biggest MIG funded project was on the Luthuli water reticulation

5.5 CAPITAL EXPENDITURE

2015/2016	% of Expenditure Budget	Original Budget	Adjustment Budget	Audited Full Year Total
Capital Expenditure	100%	119 139 000	125 087 054	125 087 054
Operating Expenditure	98.22%	220 287 000	272 944 000	270 169 666
Total expenditure	99.30%	339 426 000	398 031 054	395 256 720

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2014/2015 - 2015/2016						
Detail	2014/2015 Actual	2015/2016 Original Budget (R)	2015/2016 Adjustment Budget	2015/2016 Actual Expenditure	Actual to Original Variance (%)	Actual to OB Variance (%)
Source of finance						
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies		119 000	125 087	125 087	0%	105%
Other	0	0	0	0	0	0
Total		119 000	125 087	125 087	0%	
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0	0

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Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0	0
Grants and subsidies	0.0%	100.0%	100%	100%	0	0
Other	0.0%	0	0	0	0	0

Capital expenditure						
Water and sanitation	42 847 777	109 169 275	100 320 405	64 921 289	65%	59%
Electricity	0	2 081 228.00	6 734 293	6 941 492	103 %	334%
Housing	0	0	0	0		
Roads and storm water	113 855 433	0.00	3 902 412	3 149 275	81%	-100%
Other	171 941 617	0.00	776 122	776 122	100%	-100%
Total	328 644 827	111 250 503	111 736 232	75 788 178	68%	68%
<i>Percentage of expenditure</i>						
Water and sanitation	13.0%	98%	90%	86%	58%	58%
Electricity	0.0%	2%	6%	9%	6%	6%
Housing	0.0%	0	0	0	0	0
Roads and storm water	34.6%	0	3%	4%	3%	3%
Other	52.3%	0	1%	1%	1%	1%

COMMENT ON SOURCES OF FUNDING

Grant funded projects were in line with the MIG implementation plan.

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects			
Name of Project	Original Budget	Adjusted Budget	Actual Expenditure
A – Kwamhlanga Reservoirs	40 290 000	40 290 000	0.00
B – Kwaggafontein Water Scheme	6 000 000	6 000 000	0.00
C – Tweefontein WWTW	0	8 336 603	6 748 494.85
D – Boekenhouthoek drilling of boreholes	10 600 000	5 725 000	5 388 413.60
E – Water reticulation Vlaaglaagte 2	0	6 237 000	5 552 829.4
* completed Projects with the highest capital expenditure in 2015/2016.			

Name of Project - A	New Reservoir and Pipeline at Kwamhlanga Reservoirs for Phola Park, Mountain View and Moloto Communities – Phase 1
Objective of Project	To address the water supply shortages within the KwaMhlanga, Moloto, Phola Park and Mountain View areas/ communities.
Delays	Amount/ budget allocated is not fully committed by the Implementing Agent (Rand Water), and slow progress on site.
Future Challenges	Shortages of water in KwaMhlanga, Moloto, Phola Park and Mountain View, should there not be enough supply from Rand Water and City of Tshwane, in light of the persisting water shortages in the country.
Anticipated citizen benefits	19 225 Households to benefit

Name of Project - B	Upgrading of Kwaggafontein Water Scheme
Objective of Project	To ensure an adequate water supply to all residents in the settlements of Boekenhouthoek, Machipe and Bundu.
Delays	Change of design. Delay in obtaining design from Consultants that were appointed by MEGA. Slow progress as a result of boulders and hard rock that was encountered.
Future Challenges	Shortages of water in Boekenhouthoek, Machipe and Bundu, should there not be enough supply from Rand Water and City of Tshwane, in light of the persisting water shortages in the country.
Anticipated citizen benefits	8 638 Households to benefit

Name of Project - C	Tweefontein K Waste Water Treatment Works
Objective of Project	To upgrade the sewer networks and sewage treatment capacity within Thembeisile Hani Local Municipality.
Delays	Delay in obtaining design from Consultant contracted by THLM, and changes in design due to errors.
Future Challenges	Maintenance and population growth can become a challenge should THLM not look into the capacity of the plant versus the population in future, and the maintenance of the plant thereof.

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Anticipated citizen benefits	1 066 Households to benefit
-------------------------------------	-----------------------------

Name of Project - D	Drilling and Equipping of Boreholes in Boekenhouthoek
Objective of Project	To improve the equitable distribution and management of significant water supply in the area through the drilling and equipping of Boreholes, as a result of water supply challenges.
Delays	Slow progress on site from the contractor.
Future Challenges	Shortages of water should more infrastructure not be constructed in line with Thembisile Hani's growth rate of 1.9%.
Anticipated citizen benefits	1 595 Households to benefit

Name of Project - E	Vlaklaagte No. 2 Water Reticulation – Phase 1
Objective of Project	To provide households with access to potable water
Delays	Delays in the appointment of Service Providers for construction.
Future Challenges	Shortages of water should more infrastructure not be constructed in line with Thembisile Hani's growth rate of 1.9%.
Anticipated citizen benefits	150 Households to benefit

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipal Grants expenditure 2015/16 service delivery backlogs are explained more on the chapter 3 under Basic service Delivery.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis and cash not immediately required are invested for a better return on the short term.

Thembisile Hani Local Municipality's cash flow is daily monitored by the Finance Management section. There is also monthly reporting to the Executive Mayor in the form of section 71 reports and quarterly reports to Council.

5.9 CASH FLOW

Description	2015/16				2015/16
R thousand	Original Budget"000	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Audited Outcome
	1	2	3	4	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	78 298	0	78 298	177 807	177 807
Government - operating	309 291	43 000	352 291	339 291	339 291
Government - capital	120 239	7 603	127 842	89 139	89 139
Interest	2 756	0	2 756	10 066	10 066
Payments					
Suppliers and employees	(389 945)	0	(389 945)	(521 306)	(521 306)
Finance charges			-	(396)	(396)
Transfers and Grants	(4 300)		-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	116 339	(1 100)	115 239	94 603	94 603
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE			-	5 239	5 239
Decrease (Increase) in non-current debtors			-		
Decrease (increase) other non-current receivables			-		-
Decrease (increase) in non-current investments			-		-

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Payments					-
Capital assets	(116 339)	0	(116 239)	(117 451)	(117 451)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(116 339)		(116 339)	(112 212)	((112 212))
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans			-		-
Payments					-
Repayment of borrowing			-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-
					-
NET INCREASE/ (DECREASE) IN CASH HELD	0			(17 608)	(17 608)
Cash/cash equivalents at the year begin:	86 440	0	86 440	86 440	86 440
Cash/cash equivalents at the year end:	86 440	0	86 440	68 832	68 832

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5.10 BORROWING

COMMENT ON BORROWING

No new or old loans were taken up in the financial year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

The Annual Financial Statements have been prepared and presented in accordance with the standard of GRAP and the preparing and presentation of the GRAP compliant AFS is improving in each and every year.

5.12 SUPPLY CHAIN MANAGEMENT

The Council has developed its policy in line with the Municipal Supply Chain Management Regulations and MFMA circulars issued by National Treasury. The municipality has developed and established the supplier database. The Bid Committees were established and are fully functional, namely Bid Specification Committee, Bid Evaluation Committee; and Bid Adjudication Committee. The committees are appointed in terms of proper delegation and appointed in terms of legislations. The bid committees are functioning well.

All members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees are delegated in writing by the Municipal Manager to serve on these respective committees. These delegations are accepted in writing and record thereof is available. The following persons served on the following respective committees:

Bid Specification committee

1. Zephania Nkosi
2. Nkululeko Bhila
3. Pinky Sibiya

Bid Evaluation Committee

1. Dumisani Mahlangu
2. Katlego Mkwena
3. Lydia Sehlako
4. Aminah Aphane
5. Simpiwe Mashiane

Bid Adjudication

1. Bongumusa Sithole
2. Raisibe Morudu
3. Nelson Khubeka

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4. Prometheus Mabuza

Supply Chain Management its fully flashed unit operating with five (5) officials and three officials are meeting minimum competency as prescribed in the MFMA competency Regulation Guidelines. There are currently no challenges with the functioning of bid committees. The municipality has developed the procurement plan on capital project for 2015/2016 financial year, and all procurement requirements are measured against the plan. National Treasury has issued Guidelines for Municipal Competency Levels for Heads of Supply Chain Management these guidelines have been issued in terms of Municipal Regulations on Minimum Competency Levels. The Assistant Managers comply with these minimum competency levels. Supply chain management has staff compliment of five personnel. Currently one accountant is registered for MFMP to meet minimum competency level of managers. There are no Councillors serving as members of any bid committees or who participate in the supply chain management processes at Thembisile Hani Local Municipality. The SCM has Policy and Procedure Manual to address the inefficiencies noted within the procurement system, also the re-alignment with the legal framework and delegation of systems. Matters of emphasis has been raised by auditor general on non – Compliance with regulations. However most of audit queries issues raised has been resolved by terminating the contracts with irregularities and normal SCM process has already started to appoint service provider. Also the other remedy is to ensure SCM staff under continuous training to be in line with new regulation development.

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

COMPONENT A: AUDITOR-GENERAL OPINION 2014/2015

6.1 AUDITOR GENERAL REPORTS 2014/2015

The Municipality received a Qualified Audit Opinion for the financial year 2014/2015. In terms of Section 133 of the MFMA, the municipality must develop an Audit Action Plan to ensure that the objective of a clean audit report is achieved before the Government's deadline of 2015. Considerable work has been done, and progress made, but the fact that a clean audit is still to be achieved remains a serious objective for the Thembisile Hani Local Municipality

Basis for qualified opinion

Revenue

1. The municipality did not have adequate systems to ensure a properly updated valuation roll and billing system. The municipality did not always update its valuation roll with changes within its jurisdiction and its billing system with property market values. Some accounts in the general ledger could not be found in the valuation roll and some of the properties in the valuation roll were not included as rateable properties on the billing system. Property owners on the valuation roll also differed from the owners captured on the financial system of the municipality. Consequently, property rates amounting to R45 254 092 and receivables amounting to R39 444 394 disclosed in note 5 to the financial statements were understated by R44 981 594. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.

Qualified opinion

2. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Going concern

4. As disclosed in note 39 to the financial statements, the municipality's creditor-payment and debt-collection periods exceeded 175 days, thus making it a challenge for the municipality to honour its obligations on time. This condition

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indicates the existence of a material uncertainty that may cast significant doubt on the municipality's ability to continue as a going concern in the absence of financial assistance from provincial or national government.

Material losses

5. As disclosed in note 2 to the financial statements, material losses of R58 394 773 (58,4%) were incurred as a result of distribution losses.

Material impairment

6. As disclosed in note 5 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R372 520 971 (2013-14: R327 775 456), which represented 89% (2013-14: 96,8%) of the total consumer debtors. The contribution to the provision for debt impairment was R44 745 515 (2013-14: R150 737 889)

Restatement of corresponding figures

7. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Additional matter

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

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:
 - Development priority 1: service delivery and infrastructure development, on pages ... to ...
 - Development priority 2: social development service, on pages ... to ...
12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

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13. 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*.
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not identify material findings on the usefulness and reliability of the reported performance information for the following development priorities:
 - Service delivery and infrastructure development
 - Social development service

Additional matters

16. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters:

Achievement of planned targets

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

Adjustment of material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the development priority relating to service delivery and infrastructure. As management subsequently corrected the misstatements, I did not identify material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

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

Annual financial statements, performance report and annual report

20. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment; revenue; receivables; expenditure and disclosure of commitments 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

21. Contracts were extended without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.

Expenditure management

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22. Reasonable steps were not taken to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
23. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.

Revenue management

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

Consequence management

25. Irregular expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.

Internal control

26. 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 the qualified opinion and the findings on compliance with legislation included in this report.

Leadership

27. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting, compliance and related internal controls.

Financial and performance management

28. The municipality did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.
29. The municipality did not review and monitor compliance with applicable legislation.
30. Management did not implement controls over daily and monthly processing and reconciling of transactions.
31. Management did not implement controls over daily and monthly processing and reconciling of transactions.

Governance

32. The audit committee operated effectively during the current period as per their legislated mandate. Recommendations were made to management to improve internal controls and ensure reliable reporting of financial and performance information as well as compliance with legislation. However, this did not result in improved controls, due to management not implementing the recommendations.

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COMPONENT B: AUDITOR-GENERAL OPINION 2015/2016

6.2 AUDITOR GENERAL REPORTS 2015/2016

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Thembisile Hani Local Municipality

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, 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 the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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Basis for qualified opinion

Property, plant and equipment

6. The financial statements were materially misstated, as the municipality did not recognise some of the land it owns, contrary to GRAP 17, *Property, plant and equipment*. Furthermore, buildings was understated as a result of the incorrect calculation of depreciation. The effect on the financial statements was that land and buildings was understated by R92 823 382, the accumulated surplus was understated by R82 932 072, and depreciation was overstated by R9 891 309. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.
7. The municipality did not have adequate systems to properly record assets and maintain accurate records to account for property, plant and equipment in accordance with GRAP 17. Infrastructure assets was overstated by R22 466 323 as a result of the incorrect calculation of depreciation as well as the opening balance. The effect on the financial statements was that infrastructure assets was overstated by R22 466 323, the accumulated surplus was overstated by R10 905 065, and depreciation was overstated R11 561 258. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the additions to infrastructure assets, as the municipality could not provide supporting documents in this regard.
8. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets of R1 881 877 996 disclosed in note 3 to the financial statements.

Commitments

9. The municipality did not have adequate systems to account for commitments in accordance with GRAP 17, *Property, plant and equipment*. Consequently, commitments of R76 620 063 disclosed in note 36 to the financial statements was understated by R41 557 110.

Qualified opinion

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

Emphasis of matters

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

Restatement of corresponding figures

12. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during the year ended 30 June 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Going concern

13. Note 42 to the financial statements indicates that the municipality had a deficit of R34 869 693 for the year ended 30 June 2016. This condition may cast material uncertainty on the municipality's ability to operate as a going concern.

Material losses

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14. As disclosed in note 6 to the financial statements, material losses of R67 228 927 (2014-15: R58 394 773) were incurred as a result of water distribution losses, which represented 56% (2014-15: 58,4%) of the total water purchased.

Material impairments

15. As disclosed in note 10 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R563 681 917 (2014-15: R400 047 767), which represented 97,30% (2014-15: 89%) of the total consumer debtors. The contribution to the provision for debt impairment was R163 634 152 (2014-15: R72 272 311).

Additional matter

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

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

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

19. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2016:
- Development priority 1: basic service delivery and infrastructure development on pages ... to ...
20. 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.
21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following development priority:
- Basic service delivery and infrastructure development

Additional matters

23. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected development priority, I draw attention to the following matters:

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Achievement of planned targets

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

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for basic service delivery and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

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

Annual financial statements

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

Procurement and contract management

28. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) regulation 17(a) and (c).
29. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, contrary to SCM regulation 19(a).

Asset management

30. 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.

Expenditure management

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

Human resources

34. A senior manager directly accountable to the municipal manager did not sign a performance agreement in time, contrary to section 57(2)(a) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Internal control

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35. 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 the qualified opinion and the findings on compliance with legislation included in this report.

Leadership

36. Although management had established a formal code of conduct that addressed appropriate ethical and moral behaviour, instances of unauthorised, irregular as well as fruitless and wasteful expenditure still occurred.
37. There were insufficient monitoring controls to ensure the proper implementation of the overall process of the recording, processing and reporting of financial information and the collecting, recording, processing, monitoring and reporting of performance information relating to basic service delivery, as evidenced by the numerous material misstatements identified.

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Financial and performance management

38. A proper record management system had still not been adequately implemented to maintain documents and records such as registers and schedules supporting the financial statements as well as information relating to the verification and reporting of actual performance information.
39. The daily and monthly reconciliation of reported financial information was not adequate.
40. The financial statements and the annual performance report contained numerous misstatements that were subsequently corrected. This was mainly due to staff not fully understanding the requirements of the financial reporting framework and performance information.

Governance

41. Although a risk assessment was done, the numerous misstatements identified indicate that the risk assessment was not comprehensive enough to identify deficiencies in internal controls.
42. The internal audit unit assisted management in maintaining efficient and effective controls and by developing recommendations. However, it remains the responsibility of management to implement those recommendations as well as the corrective actions agreed upon by management.

Auditor General

Mbombela

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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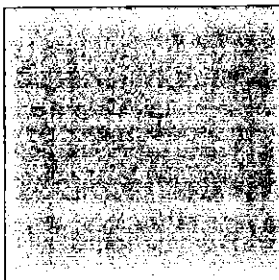
GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Act per se indicator	The quantity of input or output relative to the need or demand.
Annual financial statements	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budgetary year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

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Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Development plans	Set out municipal goals and development plans.
Key Result Areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicators	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and/or Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Votes	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies

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the total amount that is appropriated for the purpose of a specific department or functional area.

Section 1 of the MFMA defines a "vote" as:

- a) *one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*
- b) *which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A (I) – LIST OF WARD COUNCILLORS

WARD	SURNAME & NAMES	CONTACT	PHYSICAL ADDRESS
1	Cllr. Amos Mahlangu	082 686 5570 074 310 5612 082 963 9449	Stand 1849 Block 15 Moloto South
2	Cllr. Mcithwa Phillip Mtshweni	074 285 3458	414 Moloto North
3	Cllr. Tabeah Leah Huma	078 318 3315	Stnd 3159 block 09 Moloto Soith
4	Cllr. Mitopi Andries Motena	072 244 2785	Stand no.521 Zakheni
5	Cllr. Badanile Johanna Skosana	072 642 4261	1629 Thembaletu
6	Cllr. Koos Vusi Jiyane	078 255 2077	718 Phola park
7	Cllr. Johannes Buti Mahlangu	082 588 5728 061 438 4007	742 Madala Stands Mathazynsloop
8	Cllr. Raisibe Hellen Mohlamonyane	072 480 9310	1500 Verena D
9	Cllr. Maria Mlambo	076 570 7985	473 Buhlebuzile
10	Cllr. Joseph Fani Mashiya	082 790 0808	450 Mzimuhle/Gembokspruit
11	Cllr. Sgaule Timothy Mnisi	076 792 1744	258 Wolvenkop Verena
12	Cllr. Moses Mmoisetsi Sepogwana	072 952 9093 082 965 3997	609 Tweefontein C2
13	Cllr. Aaron Bhinga Khumalo	078 965 0747 071 623 5841	1117 Tweefontein B2
14	Cllr. Jerry Thili Mahlangu	072 383 2034	786 Montanview Zone 2 Thobela street
15	Cllr. Speelman Prince Mtshweni	083 451 3853	1529 Tweefontein E
16	Cllr. Mgiyelwa Hendrik Buda	072 562 1439	1361 Buhlebesizwe 02
17	Cllr. Daisy Mamanyana Msibi	071 096 1488	1076 Tweefontein F
18	Cllr. Maria Qhubeni Mnguni (MMC SDS)	084 716 2684 074 308 9530	284 Slovo street Thokoza
19	Cllr. Mzwandile Obed Sikosana	079 031 2227	621 Suncity A
20	Cllr. Seisiwe Jack Masango	074 424 8140	492 Suncity AA
21	Cllr. Solomon Linda Mahlangu	071 158 6364	327 Vlaaglagte no1
22	Cllr. Nimrod Boitumelo Malefo	079 718 9023	391 Mandela - KwaMhlanga

APPENDICES

23	Cllr. Jan Samuel Ntuli	072 105 9398	474 Tweefontein B1
24	Cllr. Aaron Samson Motau	082 903 2639	728 Bundu
25	Cllr. Bellinah Thobile Mahlangu	082 2205 298	426 Kwagga B next to Somtjhongweni primary
26	Cllr. June Lindeni Mtsweni (Council Whip)	082 965 4007 076 225 2550	1047/1123 Kwagga C
27	Cllr. Shellboy Senzeni Dube	072 013 3104 074 330 7949	1966 Kwagga A
28	Cllr. Hendrick Martin Kabine (MMC Finance)	079 677 2154	116 Shabangu Section Kwagga A
29	Cllr. Moses Micheal Nkabinde	072 209 0846 074 310 6236	1913 Kwagga A Khalanyoni
30	Cllr. Samuel Zwelabo Mnamateli	082 965 4056	622 Tweefontein H
31	Cllr. David Vulani Lukele	082 586 2716 071 624 0647	475 Vreisgewaagte
32	Cllr. Sarah Malebo Hlungwani	078 127 9140 084 858 5808	271 Kwamhlanga Sect A

APPENDICES

APPENDIX A (II) – LIST OF PR COUNCILLORS

SURNAME & NAMES	CONTACT	PHYSICAL ADDRESS
Hon Executive Mayor: Ndaweni Johannes Mahlangu	082 447 6155	Stand no. 1300 Vlaklaagte No. 1
Cllr. Winnie Thandi Mthombeni	076 723 4118	STAND NO 577 MZIMUHLE
Cllr. Mtsweni Lucky (MMC Coporate)	079 457 6531	
Cllr. Canelia Dudu Zabane	072 885 8368	1904 Mountaiview Zone 4
Cllr. Maria Thruddy Nobela	083 544 8498 074 067 7727 073 988 2968	341 Emzimuhle/Germbokspruit
Cllr. Joyce Johannah Tau	082 965 4343	2471 Block 06 Moloto
Cllr. Marcia Msiza	084 4711 624 082 746 9944	352 Kwagga A
Cllr. Lillian Martha Tshabangu	083 375 9473 082 791 0771	Tweef/ F
Cllr. Linda Modiegi Mboweni (MMC LED)	082 335 5603	Suncity A
Cllr. Heremimah Nomakhuwa Dhlalalala	073 251 1753	Tweef/ G
Cllr. Thokozile Egnos Motanyane	082 965 2217	2564 Kwagga C
Cllr. Sam Ququza Kabini	071 247 3515	1509 Thembaletu
Cllr. Marry Jane Masuku (PASSED ON)	07 273 2486 082 965 2270	Wolvenkop
Cllr. Phineas Pule Moseri (Hon Speaker)	079 603 8878	1210 Larry Mammabolo V.
Cllr. Thabisile Elsie Mashinini	083 210 5246 072 102 7549	Stand1459 Mandela
Cllr. Andrew Mduduzi Mohoaduba	082 965 1508	Tweefontein D
Cllr. Norman Ngoma	072 568 1485	795 Vlaklaagte No.1
Cllr. Muziwakhile Danisa	076 899 3195	1643 Block 16 Moloto South

APPENDICES

Cllr. Thomas Lebandla Mabena (MMC Technical)	060 696 7594	Stand No 447/8 Sun City AA
Cllr. Maria Poppy Msiza	073 311 7976 076 676 0319 074 429 2638 076 949 5438	866 Kwagga D
Cllr. Mapuse Christina Mosena	073 253 1920	292 Tweefontein G- Jomo store
Cllr. Duduzile Dollie Sithole	071 460 3310	761 Sithole Street Thokoza
Cllr. Petros Andries Masombuka	078 191 3087 079 869 5238	Stand No. 743 Makhura Street Vlaklaagte No. 2
Cllr. Mvenselo Vryman Sibanyoni		Stand No. 1010 Vuka Street Thokoza
Cllr. Paulus Mqosh Mashaba	072 737 8290	318 Street 15 Phola Park
Cllr. Ivy Mando Mahlangu	072 694 1989	419 RDP Vlaklaagte No. 2
Cllr. Phillip Bafana Masombuka	078 334 1259	219 AA Buhlebesizwe
Cllr. Jan Zimbi Buthe	083 581 6452	Stand No. 176 Wolvenkop, Verena
Cllr Thabo John Tibane	083 530 2950 082 060 3258	Stand No. 90/91 Sun City D
Cllr. Mohau Solomon Nkuta	071 286 6056 083 858 2386	Stand No. 386 Tweefontein G
Cllr. John Msebenzi Masombuka	082 429 4606	Larry Mammabolo V.
Cllr. Mandla Cyril Shabalala	073 0264 692	1485 Tweefontein E

APPENDICES

APPENDIX B - COMMITTEES AND COMMITTEE PURPOSES

Committee / Other than Mayor / Executive Committee and Purpose of Committee	
Committee / Other than Mayor / Executive Committee	Purpose of Committee
ICT Committee	Councillors Provide oversight role to all Committees
LED Committee	Councillors Provide oversight role to all Committees
Social Development Services	Councillors Provide oversight role to all Committees
Technical services Committee	Councillors Provide oversight role to all Committees
MPAC	Councillors Provide oversight role to all Committees
Corporate service Committee	Councillors Provide oversight role to all Committees
Finance services Committee	Councillors Provide oversight role to all Committees

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorates	Director/Manager (State ID and name)
Assistant Manager IDP	Mr K Mokwena
Assistant Manager: PMS	Ms. K.S Moripe
Assistant Manager: LED	Mr. WS Msiza
Assistant Manager: Communication	Ms. S Mashiane
Chief Internal Auditor	Ms. PB Mosomane
Chief Risk Officer	Mr. T Baloyi
Assistant Manager: Public Participation	Mr. H Nkosi
Assistant Manager: Youth Development	Mr. T Mahlangu
Assistant Manager: Researcher and Monitoring	Mr KO Bapela
Assistant Manager: Roads and Storm Water	Mr. V Sibuyi
Assistant Manager: Sanitation and Water	Mr C Mokubedi
Assistant Manager: PMU	Mr D Mahlangu
Assistant Manager: Human Settlement & Town Planning	Mr. S Masilela
Assistant Manager: Waste management & environment	Ms. A Aphané
Assistant Manager: HRM	Ms. L Nxumalo
Assistant Manager: Legal service	Adv. JP Skosana
Assistant Manager: Fleet Management	Mr. JJ Skosana
Assistant Manager: ICT	Mr.T Nlimane
Assistant Manager: Revenue Management	Mr. O Ledwaba
Assistant Manager: Assets Management	Mr. R Makhubele
Assistant Manager: SCM	Ms. L Sehlako
Assistant Manager: Budget and reporting	Mr. J. Moyo
Assistant Manager: Expenditure Management	Ms J Mahlangu
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2	

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	Discharge of Functions
Constitution Schedule 4, Part B functions	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	No
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes

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APPENDICES

Municipal Functions	Indicate (Yes or No)
General Services, Public Works	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes
* If municipality: indicate (yes or No); * no entity	

APPENDICES

APPENDIX E - WARD REPORTING

Functionality of Ward Committees					
Ward Number	Name of Ward Committee	Functional	Number of Members	Number of Members	Number of Members
1	CLLR A. MAHLANGU	YES	12	12	3
	Vusumuzi Kheswa				
	Sibusiso Dlamini				
	Stephinah P Moganedi				
	Simon Seswike				
	Piet Mayisela				
	Tokozile Magopa				
	Mphakeng Themane				
	Kedibone Masogo				
	Sabani Mahlangu				
	Lucky Zwane				
2	CLLR MP MTSHWENI	YES	12	12	4
	Melita Mpele				
	Joyce Mantu				
	Phila Madela				
	Shomi Mabitsela				
	Ntokozo Mabuza				
	Joseph Motha				
	Dipolelo Mampuru				
	Ntombizodwa Nkosi				
	Meisie Baloyi				
3	CLLR TL. HUMA	YES	12	12	4
	Mofaka Manyako				
	Tom Kgomo				

APPENDICES

Functionality of Ward Committees					
Ward Number	Name of Ward Committee Chairperson	Committee Established (Yes/No)	Number of Members	Number of Members	Number of Members
	Anna Ringane				
	Julia Morudu				
	Ntokozo Mahlangu				
	Mmalefu Mohloba				
	Mabanti Ntuli				
	Princess Mgombezulu				
	Constance Thusini				
	Mokgaetsi Mahlangu				
4	CLLR MA MOTENA	YES	12	12	8
	David Masilela				
	Thomas Kabini				
	Brenda Mtsweni				
	Magdeline Matshika				
	Maria Mphahlele				
	Thomas Mathenjwa				
	Mokhine Sibiya				
	Dineo Molohe				
	Simon Mashigo				
	Rapoto Nkgadima				
5	CLLR BJ SKOSANA	YES	12	12	3
	Jabu Msiza				
	Mzakhe Mgidi				
	Saaiman Ndala				
	Letty Skosana				
	Elizabeth Myeni				
	Africa Mahlaba Ntuli				
	Selina Ntuli				
	Amos Mthimunya				

APPENDICES

Functionality of Ward Committees					
Ward	Ward Committee Chairperson	Committee Members	Committee Members	Committee Members	Committee Members
	Themba Sindane				
	Koos Matsheni				
6	CLLR KV JIYANE	YES	12	12	9
	Layza Skhosana				
	Nokuthula Mlotshwa				
	Poppy Madonsela				
	Elizabeth Msiza				
	Tshegane Tolamo				
	William Masilela				
	Dumisani Moloi				
	Maria Mlanjana				
	Moses Nxumalo				
	Sylvester Mthomeni				
	Abednigo Ntsibande				
7	CLLR BJ MAHLANGU	YES	12	12	9
	Eunice Donga				
	Evelyn Skosana				
	Mokhuzelwa Mabona				
	Mhlangelwa Mtshweni				
	Dantji Thubani				
	Moses Mahlangu				
	Emmah Mahlangu				
	Makhosazana Gwebu				
	Njengabo Ntuli				
	Manala Mathibela				
8	CLLR RH MOHLAMONYANE	YES	12	12	7
	Duduzile Ngubane				
	Jostina Mahlangu				
	Johhanes Mahlangu				

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Committee and elected Ward members	Committee established (Yes/No)	Number of members elected	Number of members elected	Number of wards with members fully elected
	Sonnyboy Sibanyoni				
	Linah Phetla				
	Justice Mpandle				
	Maria Sibanyoni				
	Zanele Mashia				
	Johannah Mokwana				
	William Madisa				
9	CLLR M MLAMBO	YES	12	12	8
	Johanna Mahlangu				
	Joseph Mthimunya				
	Nomangisi Masangu				
	Mandla Mkhathswa				
	Sophy Jiane				
	Lungile Sikhosana				
	Sdudla Masilela				
	NomaJeni Msiza				
	Madenke Skhosana				
10	CLLR JF MASHIYA	YES	12	12	2
	Phumuzile Masemola				
	Thandi S Mnisi				
	Themba Sindane				
	Lettie Mahlangu				
	Themba Masilela				
	William Mthombeni				
	Sdudla Thabethe				
	Lenny M Mthimunya				
	Elka Ragimana				
	Lizzy Ntuli				

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Functionality of Ward Committees					
Ward Name (No. of Ward)	Name of Ward Committee and Members	Committee Functional (Yes/No)	Number of Members (No. of Members)	Number of Members (No. of Members)	Number of Members (No. of Members)
11	CLLR ST MNISI	YES	12	12	10
	Lucky Mthimunya				
	Oupa Mtshweni				
	Jeaneth Mtsweni				
	Thomas Magadla				
	Annah Marupeng Madisa				
	Miriam Mahlangu				
	Julia Mamogobo				
	Piet Nyathi				
	Sindisiwe Zikalala				
12	CLLR MM SEPOGWANA	YES	12	12	3
	Evelyn Mokwena				
	Zanele Mthimunya				
	Mandla Bila				
	John Mnguni				
	Nomonde Ngubeni				
	Nonkululeko Rembeyi				
	Sipho Masango				
	Meshack Ndala				
	Gladys Mkhwanazi				
	Elizabeth Mahlangu				
13	CLLR AB KHUMALO	YES	12	12	9
	Kgarola Mathobela				
	Fikile Sibeko				
	Jacob Vusumuzi Mahlangu				
	Matshiliso Mokoena				
	Solomon Masemola				
	Zondi Mtsweni				

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Functionality of Ward Committees					
Ward Number	Ward Name	Functional (Yes/No)	Number of Members	Number of Members	Number of Members
	Bakholisekile Sithole				
	Poppy Motswene				
	Thelma Ndala				
	Moses Masango				
14	CLLR JT MAHLANGU	YES	12	12	3
	Ntsoaki Motaung				
	Phethole Lefophana				
	Happy Ndebele				
	Anna Mmodong				
	Mashadi Nkadimeng				
	Gomotsegang Mohlala				
	James Msiza				
	Vusi Mahlangu				
	Ephraim Mahlangu				
	Josephine Nkabinde				
15	CLLR SP MTSHWENI	YES	12	12	7
	Grace Skhosana				
	Kotshiwe Masango				
	Peter Ntuli				
	Simon Mnguni				
	Sebueng Masehla				
	Thomas Masuku				
	Nanetjie Magagula				
	Johannes Mbonani				
	Phindile Mahlangu				
	Sokana Tshabangu				
16	CLLR MH BUDA	YES	12	12	7
	Nelly Mahlangu				
	Andries Mabhena				

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Functionality of Ward Committees					
Ward	Name of Ward Committee Chairperson	Gender	Age	Education	Occupation
16	Mnyazwa W Mashika				
	Thembinkosi Mahlangu				
	Mathukana Ntoyi				
	Ntombikayise Queen Malope				
	Beatrice Dlamini				
	Samson Moela				
	Silvester Mahlangu				
	Mienkie Senamela				
17	CLLR DM MSIBI	YES	12	12	7
	Besabakhe Mgidi				
	Auta Mpongose				
	Jwana Mahlangu				
	Johannah Makhubu				
	Ouma Khumalo				
	Fikile Mgayi				
	Mngonelwa Msiza				
	Malobane Mahlangu				
	Valencia Shabalala				
18	CLLR MQ MNGUNI	YES	12	12	8
	Jetro Ngobeni				
	Nkele Ntuli				
	Ntombi Masina				
	Khubelo Mashiyane				
	Sibongile Mahlangu				
	Merriam Mahlangu				
	Caphius Mbonani				
	Pauline Mahamba				
	Songo Shabalala				

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19	CLLR MO SIKOSANA	YES	12	12	7
	Lucky Mtsweni				
	Koos Mngomezulu				
	Hezekiel Nkosi				
	Hlengiwe Sibanyoni				
	Thabisile Mtsweni				
	Thunile Mahlangu				
	Phindaphi Mashiyane				
	Martin Babedi				
	Aaron Mtsweni				
	Angelinah Mabena				
20	CLLR SJ MASANGO	YES	12	12	7
	Pouline Mkhuma				
	Rebecca Masuku				
	Ben Mabuza				
	Sellinah Kabini				
	Baas Mahlangu				
	David Mokoena				
	Jerry Malebe				
	Zandile Motha				
	Lucia Mavimbela				
	Tshepo Maboho				
21	CLLR SL MAHLANGU	YES	12	12	6
	Germina Mnguni				
	Patience Magxotywa				
	Stunford Shongwe				
	Joyce Konoti				
	Martha Tsiane				

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	Mackenzi Mngomezulu				
	Sphiwe Skosana				
	Namkoena Nonyani				
	Nakumalo Kobe				
	Timothy Mahlangu				
	Nengi Rosy Sebelebele				
22	CLLR NB MALEFO	YES	12	12	3
	Shirley Mahlangu				
	Zanele Shabalaba				
	Shimi Rakgalakane				
	Doctor Ngobeni				
	Lesetja Monama				
	Kedibone Elizaberth Mako				
	Phona Madiseng				
	Christinah Masilela				
	Sonto Nhlapho				
	Maria Komete				
23	CLLR JS NTULI	YES	12	12	4
	Johannes Mulaudzi				
	Elizabeth Nkosi				
	Magreth Mabena				
	Nomsa Mahlangu				
	Martha Mthimunye				
	Themba Makhubu				
	Freda Aphone				
	Lettah Masopoga				
	Bongani Msibi				
	Johnnes Matlala				
24	CLLR AS MOTAU	YES	12	12	12

APPENDICES

	Alfred Ramphisa				
	Suzan Mathelele				
	Sello V Mathebe				
	Mfana Paulos Mthembu				
	Cynthia Maphosa				
	Ntombifuthi Nkabinde				
	Nomoya Tshabalala				
	Norah Sekopa				
	Jacob Mazibuko				
	John Senamela				
25	CLLR BT Mahlangu	YES	12	12	5
	Kortman Mahlangu				
	George Shezi				
	Lindiwe Kabine				
	Sarah Phakathi				
	Andries Botha				
	Esther Sibanyoni				
	Martha Masilela				
	Paulline Kadinge				
	Jan Mahlangu				
	Constance Masango				
26	CLLR JL Mtsweni	YES	12	12	4
	Johannes Mokwena				
	Sarah Masango				
	Adelide Masombuka				
	Nomusa Motanyane				
	Matome Segwapa				
	Suzan Motshwene				
	Maria Ntuli				

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	Themba Zwane				
	Sarah B Nkosi				
	Shadrack Mahlangu				
27	CLLR S S Dube	YES	12	12	5
	Sophie Mnguni				
	Prudence Mahlangu				
	Bongani Lawane				
	Emily Ngoma				
	Paulos Mthimunya				
	Makhosazana Dhlamini				
	Koos Mbonani				
	Solomon Mhlanga				
	Dini Skosana				
	Sponono Mahlangu				
28	CLLR H M Kabine	YES	12	12	4
	Khulise Msiza				
	Mkhululi Sithole				
	Kathriena Mnguni				
	Julia Magakwe				
	Gloria Sebothoma				
	Bubu Kubeka				
	Virginia Mahlangu				
	Ntile Mtsweni				
	Moses Masemola				
	Emmanuel Mokhethwa				
29	CLLR M M Nkabinde	YES	12	12	11
	Jabulani Masombuka				
	Sancho Lebese				

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	Sinah Mahlangu				
	Skhalo Hlongwane				
	Mgetsan iMtshweni				
	Bheki Mngomezulu				
	Thokozile Mthimunya				
	Zanele Skosana				
	Annah Madile				
	Girly Motloung				
30	CLLR S ZMnamatheli	YES	12	12	3
	Peter Sithole				
	Ntazi jiyana				
	James Skosana				
	Richard Ntuli				
	Anna Masango				
	William Mahlangu				
	LindiweTshabalala				
	Nanatshi Mahlangu				
	Funani Skhosana				
	Mavis Kabini				
31	CLLR D V Lukele	YES	12	12	3
	Maria Magane				
	France Mahlangu				
	Brenda Kabini				
	Phillemon Skosana				
	Phumzile Mashilo				
	Simon Mahlangu				
	William Vusi Mahlangu				
	Esther P Skosana				
	Linah Mampane				

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	Irene Mbonane				
32	CLLR S M Hlongwani	YES	12	12	6
	Kalaka Mahlangu				
	Malesela Nkhumise				
	Gladys Mokwatlo				
	Zakhele Ndaba				
	Elizabeth Mgidi				
	Dion Motshweni				
	Thelma Mabena				
	Mamorobele Monaiwa				
	Betty Malope				

APPENDICES

APPENDIX E – WARD INFORMATION

Capital Projects in Progress in 2015/16 (R12,318,366.00)				
No.	Project Name	Project Budget	Start Date	Completion Date
1	New Reservoir and Pipeline at KwaMhlanga	R12,318,366.00	27 January 2015	On-Going (Multi Year Project) -
2	Drilling and Equipping of Boreholes in Boekenhouhoek	R 5 752 000.00	25 January 2015	On-Going –
3	Upgrading of Kwaggafontein Water Scheme	R 5 852 500	20 January 2015	On-Going (Multi Year Project) -
4	Upgrading of Tweefontein K Waste Water Treatment Works – Phase 1	R 8,336,605	19 February 2015	On-Going (Multi Year Project) -
5	Miliva (Next to RDP) Water Reticulation	R 3 727 537.57	23 February 2015	22 June 2015
6	Vlaklaagte No. 2 Water Reticulation	R 2 687 189.41	23 February 2015	22 June 2015
7	Drilling and Equipping of Boreholes, Ward 32	R 1 665 060.00	9 February 2015	19 June 2015

Capital Projects Completed in 2015/16 (R12,318,366.00)		
No.	Project Name	Project Budget
1	Water	88316 households provided with access to basic water daily
2	Sanitation	3 500 households provided with access to sanitation (KwaMhlanga and Tweefontein K)
3	Electricity	THLM total number of Hihmast 290 and Street lights- 432 (high mast light strated from 2012/2013 to 2015/2016) .
4	Waste management	66495 h/h provide with access to refuse removal on fortnight base

APPENDICES

APPENDICES

<p>Report of the Audit Committee in response to the issues raised by the Auditor General in the Audit Report 2015/16</p>	<p>Qualification Matters</p> <ol style="list-style-type: none"> 1. Preparation of Quarterly GRAP complaint financial Statements with appropriate and sufficient working papers on or before the January 2017, April 2017 and July 2017. The said financial statements to be submitted to Audit Committee and MPAC for interrogation. 	<p>Recommendations are to be tabled in the next council meeting scheduled 31 January 2017.</p>
<p>Matters of Emphasis</p> <ol style="list-style-type: none"> 1. Establishment of Section 32 committees to investigate the Irregular, and Fruitless and Wasteful Expenditure by end of January 2017. The Composition of such Committees is proposed as follows: MPAC chairperson, AC chairperson, MMCs with the logistical support provided by Internal Audit, 		

	<p>Provincial Treasury, SALGA and Department of Local Government and Housing.</p> <p>2. Secondly, Development and Implementation of comprehensive coherent financial turnaround strategy addressing the Going-Concern problems facing the district.</p> <p>Non Compliance Matters</p> <p>1. Development and Implementation of Compliance Management System immediately. The report from such interventions should server before management on a monthly basis, Council and Audit Committee quarterly.</p> <p>2. Service Delivery Budget Implementation Plan (SDBIP) matters</p> <p>2.1 Audit Committee (through Internal Audit) should investigate all the portfolio of evidence not submitted to AGSA and report to Council on or before the end February 2017.</p> <p>Additional recommendations</p> <p>1. THAT Accounting Officer should implement Consequence Management and provide a report to Council on or before the end of March 2017</p> <p>2. THAT management develops TOP LAYER action plans that will highlight and address the root causes of all the findings contained in Auditor General's audit report;</p> <p>3. THAT management develops LOWER LAYER action plans that will highlight and address the root causes of all the findings contained in Auditor General's management report;</p> <p>4. THAT emphasis be made on shortening the turnaround time of addressing the AG findings;</p> <p>5. THAT the Municipal Manager ensures the implementation of the agreed action plans and report to the Audit Committee on a monthly basis effective 30 January 2017;</p> <p>6. THAT the audit issues and action plan progress report be a standing item in all Management, EXCO and MPAC agendas;</p>
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	<p>7. THAT the Executive Mayor be briefed by the Audit Committee Chairperson on progress made in resolving all the AG audit findings contained in the management report and audit report on a monthly basis;</p> <p>8. THAT the Executive Mayor be briefed by the Municipal Manager on progress made in resolving all the AG audit findings contained in the management report and audit report on a monthly basis;</p> <p>9. THAT the Internal Audit verifies the accuracy of the reported implementation status on the action plans and report to the Audit Committee;</p> <p>10. THAT the municipality consider compiling quarterly financial statements for presentation to the Audit Committee as this will increase the municipality's ability to submit credible financial statements to the Auditor General, thus also increasing the chance of the municipality to obtain enhanced audit outcomes;</p> <p>11. THAT there be a regular interaction between the Audit Committee, MPAC and Portfolio Committees; and</p> <p>12. THAT the Audit Committee resolutions be tracked by the Portfolio Chairpersons and MPAC on a monthly basis</p> <p>13. THAT Council should refer the Audit Report for year ended 30 June 2016 with the management prepared action plan to MPAC for interrogation;</p> <p>14. THAT the Audit Committee coordinate a Joint Consequence Management session on or before the end of February 2017. The report of the session should serve before Council in March 2017.</p> <p>15. THAT the Internal Audit Implement their approved revised Audit Plan which covers findings raised by AG</p> <p>16. THAT the audit outcome should be factored into the current registers, i.e Risk registers should be amended accordingly.</p> <p>17. THAT the Council should strengthen Risk Management Unit and Management should strengthen risk identification and risk monitoring activities.</p> <p>18. THAT Council should strengthen Performance Management Unit and Review of the Performance Management Systems and arrangement.</p> <p>19. THAT the Management should strengthen the Project Management activities (including amongst other evaluation of external service providers).</p> <p>20. THAT Council establish an Operation Clean Audit Committee Chaired by the Executive Mayor (consisting of AC, MMCs, and Accounting Officer) on or before the end of February 2017</p>	
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Audit Committee Report for the quarter ended 30 September 2015 (1 st Quarter Report)	Internal Financial Controls and Internal Audit	All recommendations were noted
	<ol style="list-style-type: none"> 1. That the quarterly reports on deviations should give as much details as they can so that any third party reading the report can be able to understand whether the transactions that led to deviations were indeed as a result of an emergency or poor planning from the municipality. 2. That all deviations be dealt with in line with Section 36 (2) of the Municipal Supply Chain Management Regulations 3. That the SCM implementation report be noted 4. That in future, the municipality consider donating its obsolete assets to local schools to use them instead of auctioning them as auction does not produce substantial money 5. That there be strict monitoring of cash flow and projections so as to ensure that the municipality continue its operations without hindrance 6. That the recommendations given around the debt and revenue collection matter be considered 7. That the indigent registration process be reopened with a clear framework and evaluation criteria so as to ensure that only qualifying debtors are subsidized and not all residents receive a rebate as the municipality currently practices 8. That the municipality continue to make deductions from all the employees and Councillors owing the municipality until the debts have been fully paid 9. That the right tone be set concerning the importance of addressing the communicated audit findings (both internal audit and AG's findings) and within the agreed timelines 	
	Accuracy and Reliability of Financial Reporting <ol style="list-style-type: none"> 1. That before reports are taken to Council, management must ensure that they have been seen by the Committee members first so that both management and Council can be advised properly 2. That measured be put in place to ensure that management performs quality checks on the reports that it submits to the Committee, Council and other municipal stakeholders. 	

	<p>3. Management must provide the first level of assurance on the accuracy of the reports it presents and should be held accountable for such reports</p> <p>4. Budget and Treasury must remind the departments of their spending patterns</p> <p>5. Management should adhere to Demand management plans at all times</p> <p>6. Municipality must considered to development of an alternative funding mechanisms.</p>	<p>Performance Management</p> <p>1. Based on the reports considered the Audit Committee is satisfied that the Municipality has implemented an effective system of monitoring progress with the achievement of performance targets. This system is able to identify arrears and the departments that are underperforming. However, the action plans drafted to address underperformance are not always implemented which then result on the performance of the municipality not improving.</p>	<p>Compliance with MFMA and DoRA</p> <p>1. The Audit Committee recommends the development and implementation of integrated compliance management system (covering all policies and legislation).</p>	<p>Performance evaluation</p> <p>1. That the performance of all senior managers and that of the Accounting Officer be subjected to quarterly evaluations in line with the Municipal Performance Regulations</p>	<p>Consequence management framework</p> <p>1. The Audit Committee recommends development and implementation of consequence management framework.</p>	<p>Combined assurance framework</p> <p>1. The Audit Committee recommends development and implementation of combined assurance framework.</p>
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	Internal Financial Controls and Internal Audit	All recommendations were noted
<p>Audit Committee Report for the quarter ended 31 December 2015 (2ND Quarter Report)</p>	<p>Internal Financial Controls and Internal Audit</p> <ol style="list-style-type: none"> 1. That there be strict monitoring of cash flow and projections so as to ensure that the municipality continue its operations without hindrance 2. That Council reconsider its resolution taken in its meeting held on the 28th of July 2015 to write off Irregular, Unauthorised , Fruitless and Wasteful expenditure to an amount of R2 290 528.98. Reasons for this recommendation are given in (iv) underneath "Adequacy, Accuracy and Reliability of financial reporting" 3. That management write a report on how instances such as unauthorised transactions will be prevented moving forward so as to prevent a recurrence of the same occurrence 4. That the Legal Services Unit follow-up on the last transaction that could not be recovered (R30 000 debited on the 12th of February 2015) and a formal report be submitted in the next Audit Committee meeting and Council meeting 5. Regarding the transactions relating to the licensing department, management must ensure that reconciliations are performed by both the Budget and Treasury Office and DLTC so that any variances can be detected and followed-up timeously 	

6. Regarding the traceable transactions, the Accounting Officer must enforce and remind everyone that cheques are not acceptable as these causes penalties to the municipality. Any penalties incurred by the municipality as a result of a deviation to the instruction that would have been given by the Accounting Officer must be recovered from the responsible employee (i.e. the receiver of the cheque)

7. That deductions be effected from all the employees and councillors owing the municipality as the Auditor-General has also indicates that this will be included in the audit report of the municipality for 2014/15

8. That management implements the recommendations made in the Internal Audit reports as they are aimed at improving the control system of the municipality

9. Management ensures that the system of financial management and internal control established by the municipality is strengthen and carried out diligently at all times. Internal control weaknesses create an environment conducive to fraud; that is why it is of supreme importance that management ensures that an environment that is conducive to controls is created and maintained.

Risk Management

1. That management set the right tone when it comes to risk management. Measures should be put in place to inculcate a culture of risk management within the municipality and such measures should be embedded within the municipality operations, decision making processes and the execution of the risk management strategy

2. The primary responsibility on management when it comes to risk management must be reflected in the individual agreements signed with the managers and managers must be assessed on risk management as one key performance areas

Accuracy and Reliability of Financial Reporting

1. That management should formally notify council of the errors made in the reports submitted to it
2. Based on the reasons given in (iv) (3) above. It is recommended that council reconsider its resolution taken in its meeting held on the 28th of July 2015 to write off Irregular, Unauthorised, Fruitless and Wasteful expenditure to an amount of R2 290 528.98 as the expenditure to an amount of R1 599 482.63 included in the R2 290 528.98 written off does not belong in the report
3. Management should processed an amendment to the Annual Financial Statements that are currently being audited by the AGSA.
4. Moving forward, the quarterly reports on deviations should give as much details as they can so that any third party reading the report can be able to understand whether the transactions that led to deviations were indeed as result of an emergency or poor planning from the municipality
5. That before reports are taken to council, management must ensure that they have been seen by the committee members first so that both management and

council can be advised properly

6. That measures be put in place to ensure that management performs quality checks on the reports that it submits to the Committee, Council and other municipal stakeholders. Management must provide the first level of assurance on the accuracy of the reports it presents and should be held accountable for such reports

Performance management

1. That work plans be developed clearly indicating what must be done and how it must be done for the mission and objectives to be attained
2. That performance be analysed on a monthly basis and that progress made on the set targets be discussed at management level atleast on monthly basis so that the risk of not achieving the set targets can be properly managed
3. Where there are indications of non/poor/under performance, causal factors must be analysed and where necessary, the various option given in the PMS policy must be explored

Compliance with the MFMA and DoRA

1. That there be constant monitoring of compliance issues using various tools that will assist to quickly identify violations likely to occur, detect those that have occurred and prevent a recurrence where non-compliance has been

identified. Compliance monitoring should be done on a daily basis first from the level of units/divisions, then departmental level and results be subsequently reported at management level atleast on a weekly basis

Performance Evaluations

1. That Council takes the necessary steps against all those that are contravening the regulations and the municipality's Performance Management Policy which has been adopted by council
2. That moving forward, the Accounting Officer ensures that the performance of all senior managers and that of the Accounting Officer is Subjected to Quarterly evaluations in the current year effective October 2015

REPORT IN TERMS OF SECTION 166 (2) (B)

1. As previously recommended, the Committee once again recommends that the municipality consider compiling quarterly Financial statements for presentation to the Audit Committee on a quarterly basis this will increase the municipality's ability to submit credible financial statements at the end of the financial year, thus also increasing the chance of the municipality to obtain enhanced audit outcomes. The Compilation of quarterly statements will also reduce a lot of inaccuracies as well as pressure from both the management side and committee side at year-end (e.g. it will afford both management and the committee adequate time to perform the quality assurance review at year-end and to correct all matters that needs to be corrected in time) as management will be consolidating what was prepared throughout the year.

		All recommendations were noted
Audit Committee Report for the quarter ended 31 March 2016 (3 rd Quarter Report)	<p>Third quarter performance report</p> <ol style="list-style-type: none"> 1) Council notes the third quarter performance report 2) Assistance should be sought for the performance management unit 3) Council notes the internal audit findings 4) Management should develop an internal audit action to address the performance internal audit findings. 5) All the unachieved targets should be carried forward to next quarter 6) Fully implementations of performance management system 	
	<p>Finance reports</p> <ol style="list-style-type: none"> 1. Council should note the third quarter finance report. 2. Reports not submitted must be submitted during the fourth quarter meeting in July 2016 3. Budget and Treasury must remind the departments of their spending patterns. 4. Management should adhere to Demand management plans at all times 5. Municipality must considered development of alternative funding mechanisms. 	
	<p>Corporate Services Reports</p> <ol style="list-style-type: none"> 1. Council notes the corporate service report. 2. Management should invest more resources into information and technology. 3. IT steering Committee meeting should take place at least 7 days before the AC meeting 	
	<p>Accounting officer report</p> <ol style="list-style-type: none"> 1. Management should fast-track the implementations of AGSA recommendations. 2. AC approved CPDP for 2016/17. 	

	<div data-bbox="272 938 507 1758"> <p>Technical services report</p> <p>The AC recommends development and implementation of:</p> <ol style="list-style-type: none"> 1. Project selection model 2. Project risk management model 3. Project managers selection framework 4. Project management methodology 5. Demand management plan fully implementation </div> <div data-bbox="507 938 687 1758"> <p>Risk Management</p> <p>Recommendations</p> <ol style="list-style-type: none"> 1. Top ten risks should be reported to Council on a quarterly basis. 2. RMC report noted by AC. 3. RMC meeting pack to circulate to AC members before RMC meetings. </div> <div data-bbox="687 938 836 1758"> <p>Compliance with the MFMA and DORA</p> <p>1) The Audit Committee recommends the development and implementation of integrated compliance management system (covering all policies and legislation).</p> </div> <div data-bbox="836 938 1045 1758"> <p>Consequence management framework</p> <p>Once again, the Audit Committee recommends development and implementation of consequence management framework.</p> </div> <div data-bbox="1045 938 1332 1758"> <p>Combined assurance framework</p> <p>The Audit Committee took cognizance of the combine assurance framework tabled in its meeting held on the 18 May 2016, and therefore recommend to management for implementation.</p> </div>
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Audit Committee Report for the quarter ended 30 June 2016 (4 TH Quarter Report)	Internal Financial Controls and Internal Audit	All recommendations were noted
	<ol style="list-style-type: none"> 1. That management should develop an Internal audit action plan to assist in addressing the issues raised by Internal audit 2. Chief Risk Officer should be assist the CFO and MM in coordinating the consolidation and monitoring of the action plan. 	
	Financial report <ol style="list-style-type: none"> 1. Monthly monitoring should be directors of spending patterns 2. Municipality must considered development of alternative funding mechanisms. 3. Accounting records reconciled and suspense accounts cleared. Feedback provided to Finance Portfolio Chairperson. 4. Quarterly financial statements submitted to the Audit Committee with substantiating working paper files. 5. Fully development and implementation of cash backed project management plan. 	
	Corporate services report <ol style="list-style-type: none"> 1. Management should develop an action plan to deal with number of safety violations. 2. Management should implementation of council resolutions management system to assist management in tracking of council resolutions. 3. Management should implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is 	

	<div data-bbox="279 943 395 1767"> <p>monitored.</p> <p>4. Management should review all cases on regularly basis.</p> </div> <div data-bbox="395 943 577 1767"> <p>IT governance</p> <p>1. AC tasked one of the audit committee members to engage management on issue of ICT and report in the next meeting.</p> </div>
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Long Term Contracts						
Name of service provider(entity or Municipal department)	Description of service rendered by service provider	Start date of contract	Expiry date of contract	Project Manager	Contract value	
City of Tshwane	Bulk Water Supply	2007	Infinite	Technical Manager	Per Supply	
Rand Water	Bulk Water Supply /Bulk Water Project	2007	Infinite	Technical Manager	Per Supply	
Eskom	Supply of Electricity	2015	2020	Technical Manager	Per Supply	
Telkom	Network lines	2007	Infinite	Corporate Service Manager	Per Supply	

PUBLIC PRIVATE PARTNERSHIP

Not applicable to Thembisile Hani Local Municipality.

PERFORMANCE OF EXTERNAL SERVICE PROVIDERS DURING THE 2015/2016 FINANCIAL YEAR FOR THE PERIOD ENDING 30 JUNE 2016

The performance of external service providers was measured and rated as follows:

Performance Rating	Description
1	Poor Performance (Very Poor)
2	Below satisfactory (Poor)
3	Satisfactory (Acceptable)
4	Good Performance(above expectations)
5	Excellent performance (Excellent)

CAPITAL BUDGET

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Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu - Multi Year Project	Monitoring Consultant	Number of Bulk water schemes upgraded	1 Bulk Water Scheme upgraded by 30 June 2016.	R23 225 939,00	0	R23 225 939,00	R23 225 939,00	R 1 806 874	1 Bulk water scheme not yet upgraded.	R 3 235 988 .54	No	Multi Year Project	Completed	N/A	4	Good
100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	1.2km of 315mm diameter pipeline	2ML reservoir constructed	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline	100meters of 160mm diameter pipeline

Upgrading of Tseefont K Waste Water Treatment Works – Multi Year Project	Rand Water – Implementing Agent	Number of WWTW upgraded	1 WWTW upgraded by 30 June 2016.	R8 336 605	R1 053 071	R 7 283 534	R 7 283 534	R 7 283 534	1 WWTW upgraded by 30 June 2016.	R 6 748 494 .85	Yes	Multi Year Project	Practically Completed	N/A	4	Good
Installation of Flow Control Valves at Reservoirs from Borehole Water Supply – Water Conservation and Demand Management Project	Ceenex – Consultant Mahlalela Construction – Contractor	Number of valves installed	17 valves installed by 30 June 2016	R3 124 800	R550 678	R2 574 122	R 3 011 593	R 3 539 027 .56	17 valves installed by 30 June 2016	R 3 539 027 .56	Yes	Three Months	Practically Completed	N/A	3	Satisfactory
Moloto Pressure Management Areas for Moloto from Boreholes Supply – Water	Ceenex – Consultant Khuluphala Trading	Number of valves installed	5 valves installed by 30 June 2016	R922 460	R177 833	R744 627	R 912 235	R 1 061 262 .60	5 valves installed	R 1 061 262 .60	Yes	Three Months	Practically Completed	N/A	4	Good

Conservation and Demand Management Project	Contract or	Number of Reservoirs and pipelines constructed	1 new 10Ml Storage reservoir of 10mega liter constructed by 30 June 2016	40 289 680	0	40 289 680	R 12 318	0	R 0.00	No	Multi Year Project	Not Completed	Implementing Agent failed to appoint Service Providers, which led to Council adjusting budget to zero.	1	Poor
New Reservoir & Pipeline at KwaMhla nga for Phola & Mountain View Communities	Rand Water - Implementing Agent														

Incorporat e KwaVhla nga Crossroad s and part of Zakheni and Phola Park into KwaVhla nga Reservoir Zones - Water Conservat ion and Demand Managem ent Project	Kgalemo Constru ction and Ceenex (Pty) Ltd	Number of meters of pipeline construct ed	4 028 meters of pipeline construct ed by 30 June 2016.	R973 060	R1 472 142	R-499 082	R 9 600 739	4028 meters of pipeline still in constructio n.	R 10 877 79 3.21	No	10 Months	Not Comple ted	Unfore seen hard rock challeng es on site, which had to be blasted. Delays in supply of material.	2	Below Satisfactory
Boreholes Moloto; Ward 1, 2 & 3	Thoko Consulti ng Enginee rs JV Exitite	Number of Borehole s Refurbis hed and Drilled	5 Borehol es refurbis hed and drilled by 30 June 2016	R1 200 000	R366 699	R833 301	R 2 252 584	3 boreholes not yet refurbished and drilled.	R 1 823 053 .05	No	Three Months	Practica lly Comple ted	Poor Perform ance	2	Below Satisfactory

Boreholes Mountain View; Ward 14	Thoko Consulting Engineers JV Exlite	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 30 June 2016	R1 000 000	R492 098	R507 902	R 1 927 184	3 Boreholes refurbished	R 2 767 545 .17	Yes	Three Months	Practically Completed	Poor Performance	2	Below Satisfactory
Boreholes Engwenyameni Luthuli; Ward 19 & 22	Digec CC	Number of Boreholes Refurbished and Drilled	4 Boreholes refurbished and drilled by 20 May 2016	R1 040 000	R510 155	R529 845	R 1 949 128	4 Boreholes refurbished and drilled by 20 May 2016.	R 2 420 339 .10	Yes	Three Months	Practically Completed	N/A	5	Excellent
Boreholes Langkloof; Ward 08	Uranus Consulting Engineers CC JV Zonke General Trading	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 20 May 2016	R1 000 000	R102 748	R897 252	R 2 316 535	1 Borehole not yet refurbished (Geotechnical investigation, design and construction off footings for Elevated	R 3 080 003 .33	No	Three Months	Practically Completed	N/A	3	Satisfactory

Boreholes Wolvenko p; Ward 11	Hani Malik Projects and Vukami Site Mainten ance CC and Constru ction	Number of Borehole s Refurbis hed and Drilled	2 Borehol es refurbis hed and drilled by 20 May 2016	R850 000	R632 962	R217 038	R 1 636 321	3 Boreholes refurbished and drilled by 20 May 2016.	R 2 207 259 .58	Yes	Three Months	Practica lly Comple ted	N/A	4	Good
Boreholes Verena D; Ward 11	Hani Malik Projects and Vukami Site Mainten ance CC and Constru ction	Number of Borehole s Refurbis hed and Drilled	2 Borehol es refurbis hed and drilled by 30 June 2016	R850 000	R66 391	R763 605	R 2 182 892	2 Boreholes refurbished and drilled by 30 June 2016.	R 1 957 794 .27	Yes	Three Months	Practica lly Comple ted	N/A	3	Satisfactory
Boreholes Verena B; Ward 11	Hani Malik Projects and Vukami Site Mainten ance CC and Constru ction	Number of Borehole s Refurbis hed and Drilled	1 Borehol e refurbis hed and drilled by 30 June 2016	R850 000	R568 043	R281 957	R 1 701 239	1 Boreholes refurbished and drilled by 30 June 2016.	R 1 957 794 .27	Yes	Three Months	Practica lly Comple ted	N/A	4	Good

	Location	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R920 000	R574 453	R345 547	R 1 764 829	2 Boreholes refurbished and drilled	R 2 681 629 .72	No	Three Months	Practically Completed	N/A	3	Good
Boreholes Verena A & D, Ward 08	Uranus Consulting Engineers CC JV Zonke General Trading	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R920 000	R574 453	R345 547	R 1 764 829	2 Boreholes refurbished and drilled 1 Borehole not yet started	R 2 681 629 .72	No	Three Months	Practically Completed	N/A	3	Good
Boreholes Tweefontein J, Ward 09	Puladitsela CC	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R920 000	R466 034	R453 966	R 1 873 248	1 Boreholes not yet refurbished 2 Boreholes not yet started (Geotechnical investigation, design and construction)	R 1 972 028 .06	No	Three Months	Practically Completed	Poor Performance	2	Below Satisfactory

Boreholes Buthebuthe and Zenzele; Ward 09	Puladits ela CC	Number of Boreholes Refurbished and Drilled	3 Boreholes refurbished and drilled by 30 June 2016	R 920 000	R610 814	R309 186	R 1 728 468	2 Boreholes not yet refurbished	1 Borehole not yet started	R 2 001 084 .41	No	Three months	Practically Completed	Poor Performance	2	Below Satisfactory
Boreholes Machipe; Ward 24	Bapedi Civil and Structural Consultants CC	Number of Boreholes Refurbished and Drilled	5 Boreholes refurbished and drilled by 30 June 2016	R1 200 000	R466 917	R733 083	R 2 152 366	3 Boreholes refurbished and drilled. 2 Boreholes not yet		R 1 580 943 .91	No	Three months	Practically Completed	Other boreholes are contaminated	3	Satisfactory

Boreholes Bundu; Ward 24	MBB/Masikha ne JV	Number of Boreholes Refurbished and Drilled	8 Boreholes refurbished and drilled by 30 June 2016	R1 920 000	R633 814	R1 286 186	R 2 705 469	4 Boreholes not yet refurbished (Equipping of Geotechnical investigation, design and construction footings for Elevated Steel Tanks.)	R 2 917 703 .34	No	Three Months	Completed	Other boreholes are contaminated	4	Good
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Boreholes Mathysen sloop; Ward 07	Bapedi Civil and Structural Consultants CC	Number of Boreholes Refurbished and Drilled	5 Boreholes refurbished and drilled by 30 June 2016	R1 200 000	R466 917	R733 083	R 2 152 366	3 Boreholes refurbished and drilled.	3 Boreholes refurbished and drilled.	R 1 311 626 .17	No	Three Months	Practically Completed	Other boreholes are contaminated	3	Satisfactory
Boreholes Kwaggafontein A; Ward 27	Khonza Izwe Consulting CC	Number of Boreholes Refurbished and	1 Boreholes refurbished and drilled by 30	R1 000 000	R524 194	R475 806	R 1 895 089	3 Boreholes not yet refurbished	3 Boreholes not yet refurbished	R 2 593 246 .55	No	Three Months	Practically Completed	Other boreholes are contaminated	3	Satisfactory

		Drilled	June 2016														
Boreholes Kwaggafo ntain C, D and E; Ward 26	Tshimok uhle Consulting Engineers	Number of Boreholes Refurbished and Drilled	2 Boreholes refurbished and drilled by 30 June2016	R1 000 000	R693 480	R306 520	R 1 725 803	4 Boreholes refurbished and drilled.	Geotechnical investigation, design and construction of footings for Elevated Steel Tanks.	R 5 545 596 .32	Yes	Three Months	Practically Completed	N/A	3	Satisfactory	
Boreholes Kwaggafo ntain B; Ward 25	Khonza Izwe Consulting CC	Number of Boreholes Refurbished and Drilled	5 Boreholes refurbished and drilled by 30 June	R1 200 000	R417 275	R782 725	R 2 202 008	2 Boreholes refurbished and drilled. 3 Boreholes		R 1 896 091 .54	No	Three Months	Practically Completed	Other boreholes are contaminated	3	Satisfactory	

Boreholes Tweefont ein C and DK; Ward 12	Puladits ela CC	Number of Borehole s Refurbis hed and drilled	4 Borehol es refurbis hed and drilled by 30 June 2016	R1 040 000	R443 534	R536 466	R 2 015 748	4 Boreholes refurbished and drilled.	R 3 732 371 .21	Yes	Three Months	Not Comple ted	Poor Perform ance	2	Below Satisfactory
Boreholes Sun City A; Ward 19	Digec CC	Number of Borehole s Refurbis hed and drilled	1 Borehol e refurbis hed and drilled by 30 June 2016	R1 000 000	R352 150	R647 850	R 2 067 133	3 Boreholes refurbished and drilled by 30 June 2016	R 2 677 286 .85	Yes	Three Months	Practica lly Comple ted	N/A	4	Good

Boreholes Luthuli Ward 22	ZMC Consulting	Number of Boreholes Refurbished and Drilled	1 Borehole refurbished and drilled by 30 June 2016	R1 000 000	R991 054	R8 946	R 1 428 229	1 Boreholes refurbished and drilled by 30 June 2016.	R 3 624 627 .91	Yes	Three Months	Practically Completed	N/A	4	Good
Luthuli Waste Water Treatment Works	Afri-Infra Group	Number of Environmental Impact Assessment (EIA), survey and geotechnical investigation conducted and designs issued	1 EIA, survey, geotechnical investigation conducted and preliminary designs issued by 30 June 2016	R3 008 887	R0	R 3 008 887	R 3 008 887	1 Survey, geotechnical investigation conducted, and preliminary design report issued by 30 June 2016. No EIA	R 2 998 032 .36	No	Multi Project	Not Completed	Phase 1 of the Project (Design Stage)	4	Good
HIGH MAST LIGHT															
Suncity AA High Mast Lights	Omphile Electrical	Number of High Mast Lights energise	1 High Mast Light energised by 30 April	R232 144	R60 121	R172 023	R 232 144	1 High Mast Light energised by 30 June 2016	R 60 120.67	Yes	18 Months	Completed	N/A	3	Satisfactory

Malekelekele Ward 21 High mast lights	Omphile Electrical	Number of High Mast Lights energised	2016.	1 High Mast Light energised by 30 April 2016	R 200 000	R 99 864	R 100 136	R 200 000	1 High Mast Light energised by 30 June 2016	R 99 863.50	Yes	18 Months	Completed	N/A	3	Satisfactory
Moloto South (cluster 1A) High mast lights	Omphile Electrical	Number of High mast Lights energised	2016	2 High Mast Lights energised by 30 April 2016	R 300 000	R 0	R 300 000	R 150 000	1 High Mast Light energised by 30 June 2016	R 106 400.00	Yes	18 Months	Completed	N/A	3	Satisfactory
Moloto North (cluster 1A) High mast lights	Omphile Electrical	Number of High mast Lights energised	2016	2 High Mast Lights energised by 30 April 2016	R 300 000	R 0	R 300 000	R 150 000	2 High Mast Lights energised by 30 June 2016	R 110 238.26	Yes	18 Months	Completed	N/A	3	Satisfactory
High mast lights Zakheni Ward 4 High mast lights	Omphile Electrical	Number of High mast Lights energised	2016	1 High Mast Light energised by 30 April 2016	R 176 918	R 60 121	R 116 797	R 116 797	1 High Mast Light energised by 30 June 2016	R 60 120.67	Yes	18 Months	Completed	N/A	3	Satisfactory
Vezubuhle High	Omphile Electrical	Number of High	2016	2 high mast	R 550 000	R 180	R 369 196	R 441	2 High Mast Lights	R 619 482.8	Yes	18 Months	Completed	N/A	3	Satisfactory

Mast Lights	I	mast Lights installed and energised	lights installed and energised by 30 April 2016	804	R733 780	R 733 780	346	installed and energised by 30 June 2016.	8	Yes	Months	ted		
Phumula (B1 and D) High mast lights	Omphile Electrical	Number of High mast lights installed and energised	2 high mast lights installed and energised by 30 April 2016	R300 499	R1 034 279	R 733 780	R 733 780	2 High Mast Lights energised by 30 June 2016.	R 418 672.59	Yes	18 Months	Completed	N/A	3 Satisfactory
Kwaggatso ntein. E High mast lights	Omphile Electrical	Number of High mast Lights energised	1 High Mast Light energised by 30 April 2016	R0	R244 000	R244 000	R 244 000	1 High Mast Light energised by 30 June 2016.	R 168 334.75	Yes	18 Months	Completed	N/A	3 Satisfactory
Mandela Ext High mast lights	Omphile Electrical	Number of High mast Lights energised	1 High Mast Light energised by 30 April 2016	R60 121	R306 192	R246 071	R 246 071	1 High Mast Light energised by 30 June 2016.	R 107 733.88	Yes	18 Months	Completed	N/A	3 Satisfactory

Thembaletu High mast lights	Omphile Electrical	Number of High mast Lights energised	2 High Mast Lights energised by 30 April 2016	R352 000	R103 563	R248 437	R 348 437	0	R 434 641.30	No	18 Months	Completed	Cable being stolen	3	Satisfactory
Phumula Cluster High mast lights	Omphile Electrical	Number of High mast Lights installed and energised	3 High Mast Lights installed and energised by 30 April 2016	R1743 603	R912 836	R130 767	R 798 633	3 High Mast Lights installed and energised by 30 June 2016.	R 1 440 354.49	Yes	18 Months	Completed	N/A	3	Satisfactory
Zenzele High mast lights	Omphile Electrical	Number of High mast Lights energised	1 high mast light energised by 30 April 2016	R253 206	R0	R253 206	R 253 206	1 High mast light application Submitted to ESKOM for energising.	R 166 450.70	No	18 Months	Completed	Completed (Practically)	3	Satisfactory
STREET LIGHT3															
Buhlebesi zwe Street lights	Utility Professional Engineering Services / P	Number of Street Lights installed and energised	11 Street lights installed and energised by	R100 000	R85 663	R14 337	R 337	11 Street Lights installed and energised by 31 December	R 85 663.44	Yes	3 Months	Practically Completed	N/A	3	Satisfactory

	Matlala Electricity	30 June 2016	R100 000	R85 663	R14 337	R 14 337	R 14 Lights installed and energised by December 2015.	R 85 663.44	Yes	3 Months	Practically Completed	N/A	3	Satisfactory
Kwamhlaba Street lights	Utility Professional Engineering Services / Matlala Electricity	Number of Street Lights installed and energised	22 Street Lights installed and energised by 30 June 2016											
Moloto Clinic Street lights	Utility Professional Engineering Services / Matlala Electricity	Number of Street Lights installed and energised	22 Streetlights installed and energised by 30 June 2016	R230 937	R186 283	R 186 283	22 Street Lights installed and energised by 31 December 2015.	R 338 518.91	Yes	3 Months	Practically Completed	N/A	3	Satisfactory
Mathyzensloop Street lights	Utility Professional Engineering Services / Matlala Electricity	Number of Street Lights installed and energised	16 Street Lights installed and energised by 30 June 2016	R85 663	R114 337	R 114 337	16 Street Lights installed and energised by December 2015.	R 85 663.44	Yes	3 Months	Practically Completed	N/A	3	Satisfactory

Kwaggafo ntein Street lights	Utility Professi onal Engine ring Services / P Mallala Electrica l	Number of Street Lights installed and energise d	22 Street Lights installed and energise d by 30 June 2016	R100 000	R85 663	R 14 337	R 337	14 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	3 Months	Practica lly Comple ted	N/A	3	Satisfactory
Vezubhl e Street lights (Public Works)	Utility Professi onal Engine ring Services / P Mallala Electrica l	Number of Street Lights installed and energise d	12 Street Lights installed and energise d by 30 June 2016	R144 074	R85 663	R58 411	R 411	12 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	3 Months	Practica lly Comple ted	N/A	3	Satisfactory
Street lights Thokoza T Junction R 573	Utility Professi onal Engine ring Services / P Mallala Electrica l	Number of Street Lights installed and energise d	12 Street Lights installed and energise d by 30 June 2016	R100 000	R85 663	R 14 337	R 337	12 Street Lights installed and energised by 31 December 2015.	R 85 663.44	Yes	3 Months	Practica lly Comple ted	N/A	3	Satisfactory
Cashbuild Turnoff along	Utility Professi onal	Number of Street Lights	11 Street Lights	R351 017	R230 937	R120 080	R120 080	11 Street Lights installed	R 230 937.2	Yes	3 Months	Practica lly Comple	N/A	3	Satisfactory

R573	Engineer ring Services / P Matlala Electrica l	Installed and energise d	Installed and energised by 30 June 2016					and energised by 31 December 2015.	1				ted			
Sokapho along R 573 Moloto Road	Utility Professi onal Enginee ring Services / P Matlala Electrica l	Number of Street Lights installed and energise d	12 Street Lights installed and energise d by 30 June 2016	R351 017	R230 937	R120 080	R120 080	12 Street Lights installed and energised by 31 December 2015.	R 230 937.2 1	Yes	3 Months	Practica lly Comple ted	N/A	3	Satisfactory	
Vlaakagt e No.1: (T junction) along R 573 Moloto Road	Utility Professi onal Enginee ring Services / P Matlala Electrica l	Number of Street Lights installed and energise d	22 Street Lights installed and energise d by 30 June 2016	R351 017	R230 937	R120 080	R120 080	22 Street Lights installed and energised by 31 December 2015.	R 230 937.2 1	Yes	3 Months	Practica lly Comple ted	N/A	3	Satisfactory	
New Police Station After T- Junction Along R 573	Utility Professi onal Enginee ring Services / P	Number of Street Lights installed and energise d	11 Street Lights installed and energise d by	R351 017	R230 937	R120 080	R120 080	11 Street Lights installed and energised by 31 December	R 230 937.2 1	Yes	3 Months	Practica lly Comple ted	N/A	3	Satisfactory	

Moloto Road	Matala Electric	Number of Street Lights installed and energised	30 June 2016	R900 000	R937 470	R 0	2015.	R 937 469.83	Yes	3 Months	Practically Completed	N/A	3	Satisfactory
Street lights in CRDP Wards (Verena and Wolwenkop)	Medupi Energy Resource e/Lthuba Lethu Construction	76 Street Lights installed and energised by 30 June 2016					76 Street Lights installed and energised by 31 December 2015.							

OPERATIONAL BUDGET

Item	Quantity	Unit	Rate	Amount	Remarks
1. Water supply	100000	litres	0.0001	10	
2. Sewerage	100000	litres	0.0001	10	
3. Electricity	100000	kWh	0.0001	10	
4. Gas	100000	litres	0.0001	10	
5. Maintenance	100000	hours	0.0001	10	
6. Repairs	100000	hours	0.0001	10	
7. Cleaning	100000	hours	0.0001	10	
8. Security	100000	hours	0.0001	10	
9. Insurance	100000	hours	0.0001	10	
10. Transport	100000	hours	0.0001	10	
11. Communication	100000	hours	0.0001	10	
12. Training	100000	hours	0.0001	10	
13. Office supplies	100000	hours	0.0001	10	
14. Miscellaneous	100000	hours	0.0001	10	
15. Total	1500000			150	

WATER

THLM (Water)	Rand water, City of Tshwane and Dr JS Moroka	Number of household provided with basic water services	96 138 househol ds provided with basic water daily	R137 900 101	57 108 households provided with basic water daily	R 135 360 314. 70	No	3 years	On going	N/A	3	Satisfactory
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THLM (water samples)	Mpumana nzi	Number of water samples tested	200 water samples tested by 30 June 2016	R380 000	331 water samples tested by 30th June 2016	R 362 875.20	Yes	3 years	On going	N/A	4	Good
THLM (WWTW: Bulk Infrastructure)	SADEC-PC consulting And VTT Industries	% of bulk line, pumps, boreholes, reservoirs and valves repaired (WWTW: Bulk Infrastructure re Water Service Operations I grant)	100% bulk line, pumps, boreholes , reservoirs and valves repaired by 30 June 2016	R45 000 000	100% bulk line, pumps, boreholes, and reservoirs repaired by 30 June 2016	R45 000 000	Yes	Yes	3 years	Completed	N/A	4
SANITATION												
Kwamhlang a and Tweefontein K (Waste water purification)	Rand water	Number of households provided with access to sanitation	3500 househol ds provided with access to basic sanitation daily	R1 600 000	2335 households provided with access to basic sanitation daily	R 1 600 000.	No	3 years	On going	N/A	4	Good

Corporate Services (Fuel)	Speedway	Number of reports issued on fuel usage (Fuel management system)	12 reports on fuel usage issued by 30 June 2016	4000 000	12 reports on fuel usage issued	R4 3000	Yes	36 months	completed	N/A	5	Excellent
Corporate Services (Repair and Maintenance of Fleet)	Inkanyiso FZ	Number of reports issued on repairs and maintenance	12 reports on repairs and maintenance issued by 30 June 2016	R4 224 000	12 reports on repairs and maintenance issued	R4 187 863.0	Yes	36 months	Not Completed	Poor performance	1	Poor
Corporate service (Legal Fee)		Number of reports submitted to the Municipal Manager on litigations	4 reports submitted to the Municipal Manager by 30 June 2016	R3 977 711	4 Litigation Reports submitted to the Municipal Manager	R 2 092 146.61	Yes	36 Months	Pending	Court processes	4	Good

FINANCE SERVICES

WPA	FINANCIAL SERVICES									
LOCATION	DESCRIPTION	AMOUNT	REVENUE	EXPENDITURE	NET	PERFORMANCE	REVENUE	EXPENDITURE	NET	REVENUE
N										
Financial Viability	BBT Group	Amount of own revenue collected within the financial year	6. Proper ty Rates (R27 463)	In house	R944 098.00	In house	No	36 Months	Not completed	Newly appointed
Revenue collection										
Financial Viability	Munsoft	Compiled and submitted 2014/2015 Annual Financial Statement s to Auditor General	AFS submitted to AG by 31 August 2015	In house	Compiled and submitted 2014/2015 Annual Financial Statements to Auditor General	In house	No	1 year	Not completed	The financials are prepared and submitted on the 30 th August 2016.

Financial Viability	EMS Advisory	Updated assets register	Updated assets register by 30 June 2015	In house	Updated assets register by 30 June 2015	In house	Yes	1 Year	Not Completed	The Asset Register is at draft stage	2	2
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MEASURES TAKEN TO IMPROVE PERFORMANCE

Root Causes for the Poor Performance

- Performance Management was not embedded in our Management Committee systems.
- Performance Management was not cascaded down to the Assistant Managers.

Corrective Actions

- PMS will be embedded in our daily tasks
- PMS will be a standing item on our Management Committee Meetings.
- PMS will be cascaded to the Assistant Managers.
- Responsibilities will then be assigned to the staff lower than the Assistant Managers.
- Where possible, it will be cascaded to the level lower than Assistant Managers.

APPENDIX 1 – DISCLOSURE OF FINANCIAL INTERESTS

Position	Name	Disclosed Financial Interests
President	Ndaweni Johannes Mahlangu	Nil
Secretary	Phineas Pule Moseri	Nil
Chairperson	June Lindeni Mtsweni	Nil
Members of the Executive	Hedrick Martin Kabine	Bahudi Ba Morithi Corporate Limited: 2011/002795/24
	Lucky Xolani Mtsweni	Waitjokotja Trading and Projects 2014/069109/07
		King Makhosonke Agricultural Primary Co-Operative Limited 2015/005622
		Komjeks 2012/104459/07
	Thomas Lebandla Mabena	Matjhuba Primary Co-operative Limited 015/005623/24
	Maria Qhubeni Mnguni	Nil
	Linda Modiege Mboweni	Nil
	Sam Ququza Kabini	Nil
Councillor	Andrew Mduduzi Mohoaduba	Nil
	Speelman Prince Mtsweni	Nil
	Maria Poppy Msiza	Nil
	Shellboy Senzeni Dube	Nil
	Mandla Cyril Shabalala	Nil
	Dudzile Dolile Sithole	Nil

Seisiwe Jack Masango	Nil
Mashaba MP	Nil
Joseph Fani Mashiya	Nil
Jan Samuel Ntuli	Nil
Aoron Bhinga Khumalo	Nil
Daisy Mamanyama Msibi	Nil
Caneila Dudu Zabane	Nil
Maria Truddy Nobela	Nil
Samuel Zwelabo Mnamateli	Nil
Jery Thili Mahlangu	Nil
Amos Mahlangu	Nil
Sgaule Timothy Mnisi	Nil
Badanile Johanna Skosana	Nil
Maria Mlambo	Nil
Muziwakhile Danisa	Nil
Thabo John Tlbane	Nil
Malebo Sarah Hlungwani	Nil
Bellinah Thobile Mahlangu	Nil
Thandi Winnie Mthombeni	Nil
Hereminah Nomakhuwa	Nil
Jan Zimbi Buthe	Nil
Moses Mmoisetsi Sepogwana	Nil
Ivy Mahlangu	Nil
Tabeah Leah Huma	Nil
Petros Andries Masombuka	Nil
Nimrod Boitumelo Malefo	BK Arts Projects and Construction 2016/121920/07
Phillip Bafeina Masombuka	Kulidta Trading and Projects Primary Corporate Limited 2014/004687/24

	Mgiyelwa Hendrick Buda	Akwande Umusa Burial Service 2009/197108/23
	Mzwabandile Obed Sikosana	Not declared
	Mitopi Andries Motena	Not declared
	Koos Vusi Jiyane	Not declared
	Johannes Buti Mahlangu	Not declared
	Raisibe Hellen Mohlamonyane	Not declared
	Solomon Linda Mahlangu	Not declared
	Aaron Samson Motau	Not declared
	Moses Michael Nkabinde	Not declared
	David Vulani Lukele	Not declared
	Joyce Johannah Tau	Not declared
	Marcia Msiza	Not declared
	Lillian Martha Tshabangu	Not declared
	Marry Jane Masuku	Not declared
	Thabisile Elsie Mashinini	Not declared
	Norman Ngoma	Not declared
	Mapuse Christina Mosena	Not declared
	Sibanyoni MV	Not declared
	TJ Tibane	Not declared
	Mohau Solomon Nkuta	Not declared
	John Msebenzi Masombuka	Not declared
	Thokozile Egnés Motanyane	Not declared
	O.N Nkosi	GBU Holdings 2013/206266/07
		Samketsi 2013/074623/07
		Uhambo Petroleum 2015/023315/07

Chief Executive Officer	Mamari Sophy Makgaba	Nil
Deputy Chief Executive Officer		
Other senior executives	Prometheus S Mabuza	Sweli Trading Enterprise Pty Ltd
	Raisibe Francina Morudu	Nil
	NTG Kubheka	Kiciza Trading Enterprise
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote		Revenue Collection Performance by Vote		Revenue Collection Performance by Vote		Revenue Collection Performance by Vote		Revenue Collection Performance by Vote		Revenue Collection Performance by Vote	
Votes	Revenue	Votes	Revenue	Votes	Revenue	Votes	Revenue	Votes	Revenue	Votes	Revenue
Vote 104	395 861	381 745	373 307	364 962	95.61%	97.77%					
Vote 105	79 518	119 297	89 509	125 424	105.14%	140.13%					
Vote 107	1 648	21 215	20 536	1 521	7.17%	7.41%					
Vote 108	16 466	7 636	6 702	7 878	103.17%	117.55%					
Vote 300	172	107	187	164	153.28%	87.70%					
Vote 500	0	0	0	0							
Vote 520	17 622	18 842	18 247	26 972	143.15%	147.82%					
Vote 530	0	1 100	0	38 703	0	0					
Vote 540	57 621	57 089	93 265	135 059	236.58%	144.82%					
Vote 560	0	2 044	496	1 877	91.83%	378.43%					
Total Revenue by Vote		609 076	602 249	702 560	115.35%	116.66%					

APPENDIX L: CONDITIONAL GRANTS RECEIVED EXCLUDING ING

Conditional Grants excluding ING		R		Details		Budget		Actual		Variance	
Neighbourhood Development Partnership Grant		0		0		0		0		0%	
FMG		1 600 000		1 600 000		1 600 000		1 600 000		0%	
MSIG		930 000		930 000		930 000		930 000		0%	
EPWP		3 117 000		3 117 000		3 117 000		3 117 000		0%	
WATER OPERATING SUBSIDY		15 000 000		45 000 000		45 000 000		45 000 000		0%	
EQUITABLE SHARE		288 644 000		288 644 000		288 644 000		288 644 000		0%	
INEP		0		0		0		0		0%	
Total		309 291 000		339 291 000		339 291 000		339 291 000		0%	

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure by Asset Programme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81	2081/82	2082/83	2083/84	2084/85	2085/86	2086/87	2087/88	2088/89	2089/90	2090/91	2091/92	2092/93	2093/94	2094/95	2095/96	2096/97	2097/98	2098/99	2099/00	2100/01	2101/02	2102/03	2103/04	2104/05	2105/06	2106/07	2107/08	2108/09	2109/10	2110/11	2111/12	2112/13	2113/14	2114/15	2115/16	2116/17	2117/18	2118/19	2119/20	2120/21	2121/22	2122/23	2123/24	2124/25	2125/26	2126/27	2127/28	2128/29	2129/30	2130/31	2131/32	2132/33	2133/34	2134/35	2135/36	2136/37	2137/38	2138/39	2139/40	2140/41	2141/42	2142/43	2143/44	2144/45	2145/46	2146/47	2147/48	2148/49	2149/50	2150/51	2151/52	2152/53	2153/54	2154/55	2155/56	2156/57	2157/58	2158/59	2159/60	2160/61	2161/62	2162/63	2163/64	2164/65	2165/66	2166/67	2167/68	2168/69	2169/70	2170/71	2171/72	2172/73	2173/74	2174/75	2175/76	2176/77	2177/78	2178/79	2179/80	2180/81	2181/82	2182/83	2183/84	2184/85	2185/86	2186/87	2187/88	2188/89	2189/90	2190/91	2191/92	2192/93	2193/94	2194/95	2195/96	2196/97	2197/98	2198/99	2199/00	2200/01	2201/02	2202/03	2203/04	2204/05	2205/06	2206/07	2207/08	2208/09	2209/10	2210/11	2211/12	2212/13	2213/14	2214/15	2215/16	2216/17	2217/18	2218/19	2219/20	2220/21	2221/22	2222/23	2223/24	2224/25	2225/26	2226/27	2227/28	2228/29	2229/30	2230/31	2231/32	2232/33	2233/34	2234/35	2235/36	2236/37	2237/38	2238/39	2239/40	2240/41	2241/42	2242/43	2243/44	2244/45	2245/46	2246/47	2247/48	2248/49	2249/50	2250/51	2251/52	2252/53	2253/54	2254/55	2255/56	2256/57	2257/58	2258/59	2259/60	2260/61	2261/62	2262/63	2263/64	2264/65	2265/66	2266/67	2267/68	2268/69	2269/70	2270/71	2271/72	2272/73	2273/74	2274/75	2275/76	2276/77	2277/78	2278/79	2279/80	2280/81	2281/82	2282/83	2283/84	2284/85	2285/86	2286/87	2287/88	2288/89	2289/90	2290/91	2291/92	2292/93	2293/94	2294/95	2295/96	2296/97	2297/98	2298/99	2299/00	2300/01	2301/02	2302/03	2303/04	2304/05	2305/06	2306/07	2307/08	2308/09	2309/10	2310/11	2311/12	2312/13	2313/14	2314/15	2315/16	2316/17	2317/18	2318/19	2319/20	2320/21	2321/22	2322/23	2323/24	2324/25	2325/26	2326/27	2327/28	2328/29	2329/30	2330/31	2331/32	2332/33	2333/34	2334/35	2335/36	2336/37	2337/38	2338/39	2339/40	2340/41	2341/42	2342/43	2343/44	2344/45	2345/46	2346/47	2347/48	2348/49	2349/50	2350/51	2351/52	2352/53	2353/54	2354/55	2355/56	2356/57	2357/58	2358/59	2359/60	2360/61	2361/62	2362/63	2363/64	2364/65	2365/66	2366/67	2367/68	2368/69	2369/70	2370/71	2371/72	2372/73	2373/74	2374/75	2375/76	2376/77	2377/78	2378/79	2379/80	2380/81	2381/82	2382/83	2383/84	2384/85	2385/86	2386/87	2387/88	2388/89	2389/90	2390/91	2391/92	2392/93	2393/94	2394/95	2395/96	2396/97	2397/98	2398/99	2399/00	2400/01	2401/02	2402/03	2403/04	2404/05	2405/06	2406/07	2407/08	2408/09	2409/10	2410/11	2411/12	2412/13	2413/14	2414/15	2415/16	2416/17	2417/18	2418/19	2419/20	2420/21	2421/22	2422/23	2423/24	2424/25	2425/26	2426/27	2427/28	2428/29	2429/30	2430/31	2431/32	2432/33	2433/34	2434/35	2435/36	2436/37	2437/38	2438/39	2439/40	2440/41	2441/42	2442/43	2443/44	2444/45	2445/46	2446/47	2447/48	2448/49	2449/50	2450/51	2451/52	2452/53	2453/54	2454/55	2455/56	2456/57	2457/58	2458/59	2459/60	2460/61	2461/62	2462/63	2463/64	2464/65	2465/66	2466/67	2467/68	2468/69	2469/70	2470/71	2471/72	2472/73	2473/74	2474/75	2475/76	2476/77	2477/78	2478/79	2479/80	2480/81	2481/82	2482/83	2483/84	2484/85	2485/86	2486/87	2487/88	2488/89	2489/90	2490/91	2491/92	2492/93	2493/94	2494/95	2495/96	2496/97	2497/98	2498/99	2499/00	2500/01	2501/02	2502/03	2503/04	2504/05	2505/06	2506/07	2507/08	2508/09	2509/10	2510/11	2511/12	2512/13	2513/14	2514/15	2515/16	2516/17	2517/18	2518/19	2519/20	2520/21	2521/22	2522/23	2523/24	2524/25	2525/26	2526/27	2527/28	2528/29	2529/30	2530/31	2531/32	2532/33	2533/34	2534/35	2535/36	2536/37	2537/38	2538/39	2539/40	2540/41	2541/42	2542/43	2543/44	2544/45	2545/46	2546/47	2547/48	2548/49	2549/50	2550/51	2551/52	2552/53	2553/54	2554/55	2555/56	2556/57	2557/58	2558/59	2559/60	2560/61	2561/62	2562/63	2563/64	2564/65	2565/66	2566/67	2567/68	2568/69	2569/70	2570/71	2571/72	2572/73	2573/74	2574/75	2575/76	2576/77	2577/78	2578/79	2579/80	2580/81	2581/82	2582/83	2583/84	2584/85	2585/86	2586/87	2587/88	2588/89	2589/90	2590/91	2591/92	2592/93	2593/94	2594/95	2595/96	2596/97	2597/98	2598/99	2599/00	2600/01	2601/02	2602/03	2603/04	2604/05	2605/06	2606/07	2607/08	2608/09	2609/10	2610/11	2611/12	2612/13	2613/14	2614/15	2615/16	2616/17	2617/18	2618/19	2619/20	2620/21	2621/22	2622/23	2623/24	2624/25	2625/26	2626/27	2627/28	2628/29	2629/30	2630/31	2631/32	2632/33	2633/34	2634/35	2635/36	2636/37	2637/38	2638/39	2639/40	2640/41	2641/42	2642/43	2643/44	2644/45	2645/46	2646/47	2647/48	2648/49	2649/50	2650/51	2651/52	2652/53	2653/54	2654/55	2655/56	2656/57	2657/58	2658/59	2659/60	2660/61	2661/62	2662/63	2663/64	2664/65	2665/66	2666/67	2667/68	2668/69	2669/70	2670/71	2671/72	2672/73	2673/74	2674/75	2675/76	2676/77	2677/78	2678/79	2679/80	2680/81	2681/82	2682/83	2683/84	2684/85	2685/86	2686/87	2687/88	2688/89	2689/90	2690/91	2691/92	2692/93	2693/94	2694/95	2695/96	2696/97	2697/98	2698/99	2699/00	2700/01	2701/02	2702/03	2703/04	2704/05	2705/06	2706/07	2707/08	2708/09	2709/10	2710/11	2711/12	2712/13	2713/14	2714/15	2715/16	2716/17	2717/18	2718/19	2719/20	2720/21	2721/22	2722/23	2723/24	2724/25	2725/26	2726/27	2727/28	2728/29	2729/30	2730/31	2731/32	2732/33	2733/34	2734/35	2735/36	2736/37	2737/38	2738/39	2739/40	2740/41	2741/42	2742/43	2743/44	2744/45	2745/46	2746/47	2747/48	2748/49	2749/50	2750/51	2751/52	2752/53	2753/54	2754/55	2755/56	2756/57	2757/58	2758/59	2759/60	2760/61	2761/62	2762/63	2763/64	2764/65	2765/66	2766/67	2767/68	2768/69	2769/70	2770/71	2771/72	2772/73	2773/74	2774/75	2775/76	2776/77	2777/78	2778/79	2779/80	2780/81	2781/82	2782/83	2783/84	2784/85	2785/86	2786/87	2787/88	2788/89	2789/90	2790/91	2791/92	2792/93	2793/94	2794/95	2795/96	2796/97	2797/98	2798/99	2799/00	2800/01	2801/02	2802/03	2803/04	2804/05	2805/06	2806/07	2807/08	2808/09	2809/10	2810/11	2811/12	2812/13	2813/14	2814/15	2815/16	2816/17	2817/18	2818/19	2819/20	2820/21	2821/22	2822/23	2823/24	2824/25	2825/26	2826/27	2827/28	2828/29	2829/30	2830/31	2831/32	2832/33	2833/34	2834/35	2835/36	2836/37	2837/38	2838/39	2839/40	2840/41	2841/42	2842/43	2843/44	2844/45	2845/46	2846/47	2847/48	2848/49	2849/50	2850/51	2851/52	2852/53	2853/54	2854/55	2855/56	2856/57	2857/58	2858/59	2859/60	2860/61	2861/62	2862/63	2863/64	2864/65	2865/66	2866/67	2867/68	2868/69	2869/70	2870/71	2871/72	2872/73	2873/74	2874/75	2875/76	2876/77	2877/78	2878/79	2879/80	2880/81	2881/82	2882/83	2883/84	2884/85	2885/86	2886/87	2887/88	2888/89	2889/90	2890/91	2891/92	2892/93	2893/94	2894/95	2895/96	2896/97	2897/98	2898/99	2899/00	2900/01	2901/02	2902/03	2903/04	2904/05	2905/06	2906/07	2907/08	2908/09	2909/10	2910/11	2911/12	2912/13	2913/14	2914/15	2915/16	2916/17	2917/18	2918/19	2919/20	2920/21	2921/22	2922/23	2923/24	2924/25	2925/26	2926/27	2927/28	2928/29	2929/30	2930/31	2931/32	2932/33	2933/34	2934/35	2935/36	2936/37	2937/38	2938/39	2939/40	2940/41	2941/42	2942/43	2943/44	2944/45	2945/46	2946/47	2947/48	2948/49	2949/50	2950/51	2951/52	2952/53	2953/54	2954/55	2955/56	2956/57	2957/58	2958/59	2959/60	2960/61	2961/62	2962/63	2963/64	2964/65	2965/66	2966/67	2967/68	2968/69	2969/70	2970/71	2971/72	2972/73	2973/74	2974/75	2975/76	2976/77	2977/78	2978/79	2979/80	2980/81	2981/82	2982/83	2983/84	2984/85	2985/86	2986/87	2987/88	2988/89	2989/90	2990/91	2991/92	2992/93	2993/94	2994/95	2995/96	2996/97	2997/98	2998/99	2999/00	3000/01	3001/02	3002/03	3003/04	3004/05	3005/06	3006/07	3007/08	3008/09	3009/10	3010/11	3011/12	3012/13	3013/14	3014/15	3015/16	3016/17	3017/18	3018/19	3019/20	3020/21	3021/22	3022/23	3023/24	3024/25	3025/26	3026/27	3027/28	3028/29	3029/30	3030/31	3031/32	3032/33	3033/34	3034/35	3035/36	3036/37	3037/38	3038/39	3039/40	3040/41	3041/42
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Other	0	776	776	-	-	-	-	-	-
Community - Total	-	-	-	-	-	-	-	-	-

APPENDIX N – NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Output/Outcome	Progress to date	Number or Percentage Achieved
Output: Improving the household access to basic level of services	Water	2162 new Households connected to yard taps
	Electricity	<ul style="list-style-type: none"> o Street lights- 432 o High mast lights- 290
	Sanitation	VIP Toilets- 0 Septic Tanks- 0 Waterbourne- 0 3 500 households provided with access to sanitation (Kwamhlanga and Tweefontein K)
	Refuse removal	73 387 h/h provide with access to refuse removal
	Implementing the Community work programme (CWP), EPWP and CRDP	337 CWP and 135 EPWP jobs created
Output: Implementation of the Community Work Programme	5 Critical positions filled with competent employees	80%
Output: Administrative and financial capability	32 ward committees established and functional	100%
Deepen democracy through refined ward committee model		

APPENDIX N - CAPITAL PROGRAMME BY PROJECT, BY WARD AND BY ZONE					
LOCATION	PROJECT DESCRIPTION	REVISOR	ANNUAL TARGET 2015/2016	ADJUSTED ANNUAL BUDGET INPUT INDICATOR 2016	ANNUAL 2015/2016 ACTUAL PERFORMANCE
Bundu	Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu	1 Bulk Water Scheme upgraded by 30 June 2016.	R3,536,301.00	1 Bulk water scheme not yet upgraded.	R 3,235,988.54
Various Wards	Installation of Flow Control Valves at Reservoirs from Boreholes Water Supply Project	17 valves installed by 30 June 2016	R 3,772 446.00	Preliminary design, geotechnical investigation, and construction drawings.	R 3,235,988.54
Moloto	Moloto Pressure Management Areas for Moloto from Boreholes Water Supply Project	5 valves installed by 30 June 2016	R 1,090,068.00	17 valves installed by 30 June 2016	R 1,061,262.60
KwaMhlanga, Zakheni and Phola Park	Incorporate KwaMhlanga Crossroads and part of Zakheni and Phola Park into KwaMhlanga Reservoir Zones	4 028 meters of pipeline constructed by 30 June 2016.	R 11, 072 882	5 valves installed	R 10,877,793.21

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET INDICATOR 000	2016/17 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Ward 1,3 Moloto	Augmentation of Bulk Water Supply Cluster 1 (Boreholes) Moloto and Mountain View	5 Boreholes refurbished and drilled by 30 June 2016	R 2 619 282	3 boreholes not yet refurbished and drilled.	R 1,823,053.05
Ward 14, Mountain View		1 Borehole refurbished and drilled by 30 June 2016	R 2 419 283.00	3 Boreholes refurbished.	R 2,767,545.17
Ward 19, Engwenyameni	Augmentation of Bulk Water Supply Cluster 4 (Boreholes) Engwenyameni and Sun City	4 Boreholes refurbished and drilled by 20 May 2016	R 2 459 283.00	4 Boreholes refurbished and drilled by 20 May 2016.	R 2,420,339.10
Ward 19, Sun City A		4 Boreholes refurbished and drilled by 20 May 2016	R 2 419 283.00	4 Boreholes refurbished and drilled by 20 May 2016.	R 2,677,286.85
Ward 08, Langkloof	Augmentation of Bulk Water Supply Cluster 3 (Verena D, Dornek, Langkloof and Retifontein) Boreholes.	1 Borehole refurbished and drilled by 20 May 2016	R 2 419 283.00	1 Boreholes not yet refurbished. (Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.)	R 3,080,003.33
Ward 08, Verena A and D		3 Boreholes refurbished and drilled by 30 June 2016	R 2,269 283.00	2 Boreholes refurbished and drilled 1 Borehole not yet started	R 2,681,629.72

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2015/2016	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR '000)	ACTUAL 2015/16 PERFORMANCE	EXPENDITURE TO DATE
Ward 11, Wolvenkop	Augmentation of Bulk Water Supply Cluster 8 (Wolvenkop, Verena A, B and Klipfontein)	2 Boreholes refurbished and drilled by 20 May 2016	R 2,269 283.00	3 Boreholes refurbished and drilled by 20 May 2016.	R 2,207,259.58
Ward 11, Verena D		2 Boreholes refurbished and drilled by 30 June 2016	R 2,269 283.00	2 Boreholes refurbished and drilled by 30 June 2016.	R 1,957,794.27
Ward 8, Klipfontein		1 Borehole refurbished and drilled by 30 June 2016	R 2 339 283.00	1 Borehole refurbished and drilled by 30 June 2016	R 2,530,097.89
Ward 12, Tweefontein C, D, and DK	Augmentation of Bulk Water Supply Cluster 7 (Tweefontein C-D, DK, J and Buhlebuzile) Boreholes	4 Boreholes refurbished and drilled by 30 June 2016	R 2,459,283.00	4 Boreholes refurbished and drilled.	R 3,732,371.21
Ward 9, Tweefontein J		3 Boreholes refurbished and drilled by 30 June 2016	R 2 339 283.00	1 Boreholes not yet refurbished. 2 Boreholes not yet started (Geotechnical investigation, design and construction off footings for Elevated Steel Tanks. Installation of Elevated Steel Tanks.	R 1,972,028.06

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2015/2016	ADJUSTED ANNUAL BUDGET (IN R'000)	2015/16 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Ward 9, Buhlebuzile and Zenzele		3 Boreholes refurbished and drilled by 30 June 2016	R 2 339 283.00	2 Boreholes not yet refurbished. 1 Borehole not yet started	R 2,001,084.41
Ward 24, Machipe	Augmentation of Bulk Water Supply Cluster 6 (Boreholes) Mathysensloop and Machipe	5 Boreholes refurbished and drilled by 30 June 2016	R 2,619,283.00	3 Boreholes refurbished and drilled. 2 Boreholes not yet started (Geotechnical investigation, design and construction of footings for Elevated Steel Tanks.)	R 1,580,943.91
Ward 7, Mathysensloop		5 Boreholes refurbished and drilled by 30 June 2016	R 2 619 283.00	3 Boreholes refurbished and drilled. 2 Boreholes not yet started Geotechnical investigation, design and construction of footings for Elevated Steel Tanks. Installation of Elevated Steel Tanks.	R 1,311,626.17
Ward 24, Bundu	Augmentation of Bulk water supply Cluster 5 (Boreholes)	8 Boreholes refurbished and drilled by 30 June 2016	R 3 339 283.00	4 Boreholes not yet refurbished. (Equipping of Geotechnical investigation,	R 2,917,703.34

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2015/2016	ADJUSTED ANNUAL BUDGET INPUT INDICATOR 000	2015/16 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
	Bundu			design and construction off footings for Elevated Steel Tanks.	
Ward 27, Kwaggafontein A	Augmentation of Bulk water supply Cluster 9 (Boreholes) Kwaggafontein A and B	1 Boreholes refurbished and drilled by 30 June 2016	R 2 419 283.00	Installation of Elevated Steel Tanks. Commissioning and handover. 3 Boreholes not yet refurbished. Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.	R 2,593,246.55
Ward 25, Kwaggafontein B		5 Boreholes refurbished and drilled by 30 June 2016	R 2 619 283.00	2 Boreholes refurbished and drilled. 3 Boreholes not yet started Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.	R 1,896,091.54
Ward 26, Kwaggafontein C	Augmentation of Bulk water supply Cluster 10 (Boreholes) Kwaggafontein C,D and E	2 Boreholes refurbished and drilled by 30 June 2016	R 2 419 283.00	4 Boreholes refurbished and drilled. Geotechnical investigation, design and construction off footings for Elevated Steel Tanks.	R 5,545,596.32

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (NET INDICATOR 000)	2016/17 PERFORMANCE	ACTUAL	EXPENDITURE TO DATE
Ward 4, KwaMhlanga Hospital and Ward 22, Luthuli	Augmentation of Bulk water supply Cluster 2 (Boreholes) Luthuli and KwaMhlanga Hospital		R 3 624 627.91			R 3,624,627.91
Ward 4, KwaMhlanga	New Reservoir and Pipeline at KwaMhlanga for Phola Park, Mountain View and Moloto Communities Phase 2	1 new 10Ml Storage reservoir 10mega liter constructed by 30 June 2016 New dedicated 500 mm pipeline connected from new reservoir to existing 300 mm pipeline by 30 June 2016	R 12,318,366	0		R 0.00
Ward 24, Kwaggafontein	Upgrading of Kwaggafontein Water Scheme Phase 2	1 bulk water scheme upgraded by 30 April 2016 Activities <ul style="list-style-type: none"> 100meters of 160mm diameter pipeline 1.2km of 315mm diameter pipeline 2ML reservoir constructed 	R 0.00	1 Bulk water scheme not yet upgraded. Activities 2ML reservoir constructed 100meters of 160mm diameter pipeline		R 0.00
Tweefontein	Upgrading of Tweefontein K Waste Water Treatment Works Phase 1	1 WWTW upgraded by 30 June 2016.	R 8 337 605	1 WWTW upgraded by 30 June 2016.		R 6,748,494.85

LOCATION	PROJECT DESCRIPTION	REVISED TARGET 2015/2016	ADJUSTED BUDGET INDICATOR 2016	2015/16 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Luthuli	Construction of Luthuli WWTW	1 EIA, survey, geotechnical investigation conducted and preliminary designs issued by 30 June 2016	R 3 009 887	1 Survey, geotechnical investigation conducted, and preliminary design report issued by 30 June 2016. No EIA	R 2,998,032.36
Ward 20, Sun City AA	Highmast lights Sun City AA	1 High Mast Light energised by 30 April 2016.	R 292 261.00	1 High Mast Light energised by 30 June 2016	R 60,120.67
Ward 21, Malekelekeni	Highmastlights Malekelekeni	1 High Mast Light energised by 30 April 2016	R 299 864.00	1 High Mast Light energised by 30 June 2016	R 99,863.50
Ward 1, Moloto South	Moloto South	2 High Mast Lights energised by 30 April 2016	R 150 000.00	2 High Mast Lights energised by 30 June 2016	R 106,400.00
Ward 2, Moloto North	Moloto North	2 High Mast Lights energised by 30 April 2016	R 150 000.00	2 High Mast Lights energised by 30 June 2016	R 110,238.26
Ward 4, Zakheni	Highmast Lighting Zakheni	1 High Mast Light energised by 30 April 2016	R 176 918.00	1 High Mast Lights energised by 30 June 2016	R 60,120.67
Ward 14, Vezubuhle	Highmast Lighting Vezubuhle	2 high mast lights installed and energised by 30 April 2016	R622 150.00	2 high mast lights installed and energised by 30 April 2016	R 619,482.88

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2015/2016	ADJUSTED ANNUAL BUDGET (IN R 000)	2015/16 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Ward 23, Phumula B1 and D	Highmast Lighting Phumula (B1 and D)	2 high mast lights installed and energised by 30 April 2016	R 1 034 279.00	2 high mast lights installed and energised by 30 April 2016	R 418,672.59
Ward 31, Kwaggafontein E	Highmast Lighting Kwaggafontein E	1 High Mast Light energised by 30 April 2016	R 24 4 000.00	1 High Mast Light energised by 30 April 2016	R 168,334.75
Ward 22, Mandela Ext	Highmast Lighting Mandela EXT.	1 High Mast Light energised by 30 April 2016	R 306 192.00	1 High Mast Light energised by 30 April 2016	R 107,733.88
Ward 5, Thembaletu	Highmast Lighting Thembaletu	2 High Mast Lights energised by 30 April 2016	R 452 000.00	0	R 434,641.30
Ward 23, Phumula Cluster	Highmast Lighting Phumula Cluster	3 High Mast Lights installed and energised by 30 April 2016	R 1 711 469.00	3 High Mast Lights installed and energised by 30 April 2016	R 1,440,354.49
Ward 9, Zenzele	Highmast Lighting Zenzele	1 high mast light energised by 30 April 2016	R 253 206.00	1 high mast light energised by 30 April 2016	R 166,450.70
Buhlebesizwe	Buhlebesizwe streetlights	11 Street lights installed and energised by 30 June 2016	R 100 000.00	11 Street Lights installed and energised by 31 December 2015.	R 85,663.44

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2016/2016	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR*1000)	2016/16 PERFORMANCE	EXPENDITURE TO DATE
KwaMhlanga	KwaMhlanga Streetlights	22 Street lights installed and energised by 30 June 2016	R 100 000.00	22 Street lights installed and energised by 31 December 2016	R 85,663.44
Ward 1, Moloto Clinic	Moloto Clinic Streetlights	22 Streetlights installed and energised by 30 June 2016	R 417 200.00	22 Streetlights installed and energised by 30 December 2016	R 338,518.91
Ward 7, Mathysensloop	Mathysensloop Streetlights	16 Street Lights installed and energised by 30 June 2016	R 200 000.00	16 Street Lights installed and energised by 31 December 2016	R 85,663.44
Ward 27, Kwaggafontein	Kwaggafontein Streetlights	22 Street Lights installed and energised by 30 June 2016	R 1000 000.00	22 Street Lights installed and energised by 31 December 2016	R 85,663.44
Vezubuhle	Vezubuhle Streetlights	12 Street Lights installed and energised by 30 June 2016	R 144 074.00	12 Street Lights installed and energised by 31 December 2016	R 85,663.44
Ward 18, Thokoza	Thokoza T-junction Streetlights	12 Street Lights installed and energised by 30 June 2016	R 100 000.00	12 Street Lights installed and energised by 301 December 2016	R 85,663.44
Various Wards	Cashbuild Turn-off along R573 Streetlights	11 Street Lights installed and energised by 30 June 2016	R 351 017.00	11 Street Lights installed and energised by 31 December 2016	R 230,937.21

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2015/2016	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR R'000)	2015/16 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Various Wards	Sokapo & Emafesi along R573 Streetlights	12 Street Lights installed and energised by 30 June 2016	R 351 017.00	12 Street Lights installed and energised by 31 December 2016	R 397,387.91
Ward 21, Vlaklaagte	Vlaklaagte no.1: (T-junction) along R573 Moloto Road	22 Street Lights installed and energised by 30 June 2016	R 351 017.00	22 Street Lights installed and energised by 31 December 2015.	R 397,387.91
Various Wards	New Police Station after T-junction along Moloto Road R573	11 Street Lights installed and energised by 30 June 2016	R 351 017.00	11 Street Lights installed and energised by 31 December 2015.	R 376,890.91
Ward 11, Verena and Wolvenkop	Streetlights in CRDP Wards (Verena and Wolvenkop)	76 Street Lights installed and energised by 30 June 2016	R 937 468.83	76 Street Lights installed and energised by 31 December 2015.	R 937,468.83

APPENDIX O - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

For current financial year there is no service backlogs experienced by the community whereby another sphere of government is responsible for service provision. However, the Municipality has collected priority needs information from the Community during Public Participation meetings.

**VOLUME II: AUDITED ANNUAL FINANCIAL
STATEMENTS (ANNEXURE A)**



THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements
for the year ended 30 June 2016

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

General Information

Mayoral committee

Executive Mayor

Speaker

Chief whip

Members of Executive Committee

Councillors

Hon NJ Mahlangu

Cllr PP Moseri

Cllr JL Mtsweni

Cllr LX Mtsweni

Cllr MQ Mnguni

Cllr LM Mboweni

Cllr A Mahlangu

Cllr MP Mtsweni

Cllr TL Huma

Cllr MA Motena

Cllr BJ Skosana

Cllr KV Jiyane

Cllr CD Zabane

Cllr M Msiza

Cllr LM Tshabangu

Cllr MJ Masuku (Passed on)

Cllr HN Dhlalalala

Cllr TE Mashinini

Cllr N Ngoma

Cllr M Danisa

Cllr MC Mosena

Cllr DD Sithole

Cllr PA Masombuka

Cllr BP Masombuka

Cllr JZ Buthe

Cllr MS Nkuta

Cllr JM Masombuka

Cllr ST Mnisi

Cllr SP Mtshweni

Cllr TE Motanyane

Cllr SQ Kabini

Cllr AM Mohoaduba

Cllr M Danisa

Cllr TL Mabena

Cllr MP Msiza

Cllr MV Sibanyoni

Cllr PM Mashaba

Cllr IM Mahlangu

Cllr TJ Tibane

Cllr MC Shabalala

Cllr JB Mahlangu

Cllr RH Mhlangonyane

Cllr M Mlambo

Cllr JF Mashiya

Cllr TW Mthombeni

Cllr MM Sepogwana

Cllr AB Khumalo

Cllr JT Mahlangu

Cllr MH Buda

Audited

By

2016 -11- 30

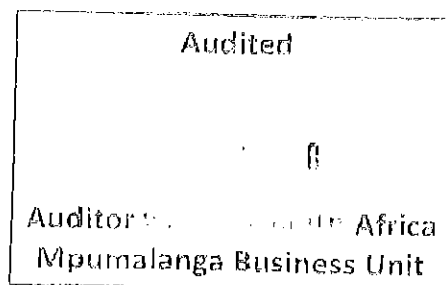
Auditor General South Africa
Mpumalanga Business Unit

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

General Information

	Cllr DM Msibi Cllr MT Nobela Cllr MO Sikosana Cllr SJ Masango Cllr SL Mahlangu Cllr NB Malefo Cllr JS Ntuli Cllr AS Motau Cllr BT Mahlangu Cllr JJ Tau Cllr SS Dube Cllr HM Kabine Cllr MM Nkabinde Cllr SZ Mnamatell Cllr DV Lukhele Cllr SM Hlungwani
Grading of local authority	Grade 3
Accounting Officer	Mr ON Nkosi
Business address	24 Kwaggafontein C Kwaggafontein 3100
Postal address	Private Bag X4041 Empumalanga 0458
Bankers	Nedbank
Telephone number	013 986 9100
Fax number	013 986 0895
Email address	nkosi@thembisilehanilm.gov.za



THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2018

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
FMG	Financial Management Grant
MSIG	Municipal Systems Improvement Grant
EPWP	Expanded Public Works Program
INEP	Integrated National Electrification Grant

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

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 judgements and estimates.

The accounting officer acknowledges that he 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 2016 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the THLM Municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the THLM Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on pages 7 to 56, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2016 and were signed on its behalf by:

Mr ON Nkosi
Municipal Manager

Accounting Officer
31 August 2016

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Name of Member	Number of meetings attended
SAB Ngobeni (Chairperson)	06 out of 6
T Matabane	04 out of 6
Z Nzimande	04 out of 6

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, which were then raised with the municipality.

There has been an improvement in the system of internal control of the municipality and reducing qualification issues of previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review there was consistent monitoring of action plans and progress.

In-Year Management and Monthly/Quarterly Report

The municipality has monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

Performance Management

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and increasing capacity within the performance management unit.

Risk Management

The AC is of the opinion that municipality's risk management appears to be effective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has a sound and effective approach has been followed in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment.

Furthermore, the AC did review the municipality's fraud prevention plan so as to be satisfied that the municipality has appropriate processes and systems in place to capture, monitor and effectively investigate fraudulent activities.

Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Internal Audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

Internal Audit

The AC is satisfied with the effectiveness of Internal Audit, and commend Management and Council for capacitating this unit. The above conclusion is based on:

Reviewal with management and approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organisational structure of the Internal Audit Unit;

Implementation of the approved the annual internal audit plan and all major changes to the plan.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Audit Committee Report

There were no unjustified restrictions or limitations on work of the internal audit.

Review with Chief Internal Auditor the internal audit budget, resource plan, activities, and organizational structure of the internal audit function;

Compliance with the IA's international standards for the professional practice by Internal Auditing unit

Implementation of remedial action plan on internal audit findings by management.

Consequence Management

The municipality is in the process of developing a consequence management framework for implementation.

Combined Assurance Framework

The AC commends management for the development of combined assurance framework.

Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Executive Mayor for his support, Councillors, senior management for their efforts and internal audit for their contribution.



SAB Ngobeni (Mr)

Chairperson of the Audit Committee

Thembsile Hani Local Municipality

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015 Restated*
Assets			
Current Assets			
Inventories	6	86 833 940	82 239 807
Receivables from exchange transactions	7	3 471 389	3 448 820
Receivables from non-exchange transactions	8	39 454	47 008
VAT receivable	9	15 614 716	8 880 818
Consumer debtors	10	23 486 744	49 443 854
Cash and cash equivalents	11	68 831 678	86 440 151
		198 277 921	230 480 458
Non-Current Assets			
Property, plant and equipment	3	1 881 877 996	1 913 117 501
Intangible assets	4	415 115	385 682
		1 882 293 111	1 913 503 183
Total Assets		2 080 571 032	2 143 983 641
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	89 278 677	90 420 928
Unspent conditional grants and receipts	13	21 142 981	57 091 035
Provisions	14	2 490 253	2 714 554
		112 911 911	150 226 517
Non-Current Liabilities			
Employee benefit obligation	5	7 015 000	5 297 000
Provisions	14	15 668 173	18 994 717
		22 673 173	24 291 717
Total Liabilities		135 585 084	174 518 234
Net Assets		1 944 985 948	1 969 465 407
Reserves			
Revaluation reserve	12	207 577 510	207 577 510
Accumulated surplus		1 737 408 438	1 761 887 897
Total Net Assets		1 944 985 948	1 969 465 407

* See Note 39

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Performance

Figures In Rand

		2016	2016 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	17	102 775 567	94 696 399
Rental of facilities and equipment	18	622 205	787 530
Interest received	19	27 394 308	21 819 785
Total revenue from exchange transactions		130 792 080	117 303 714
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	20	33 183 557	44 693 472
Transfer revenue			
Government grants and subsidies	22	516 085 505	362 851 765
Licences and permits	23	5 823 636	5 286 314
Public contributions and donations	24	13 480 181	25 630 449
Fines		1 716 728	11 722 482
Other income		1 254 067	1 337 852
Total revenue from non-exchange transactions		571 543 674	451 532 334
Total revenue	16	702 336 754	568 836 048
Expenditure			
Employee related costs	25	(108 510 078)	(108 431 426)
Remuneration of councillors	26	(20 009 378)	(18 400 543)
Depreciation and amortisation	27	(133 531 523)	(140 622 477)
Impairment loss	28	(9 890 472)	(72 150)
Finance costs	29	(395 605)	(660 584)
Rental of office equipment		(957 695)	(768 939)
Debt impairment	30	(164 697 527)	(82 732 446)
Repairs and maintenance		(1 092 153)	(2 632 479)
Bulk purchases	31	(119 250 318)	(99 989 953)
Grants and subsidies paid	21	(57 467 498)	(13 231 000)
General expenses	32	(116 387 566)	(73 775 789)
Total expenditure		(732 189 803)	(541 317 786)
Operating (deficit) surplus		(29 854 049)	27 518 262
Decrease in leave and bonus provision	33	224 301	72 199
Loss on non-current assets held for sale or disposal groups		(5 239 945)	(658 287)
		(5 015 644)	(486 088)
(Deficit) surplus for the year		(34 869 693)	27 032 174

* See Note 39

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	207 577 510	1 358 050 630	1 773 205 650
Adjustments			
Prior year error*	-	376 805 096	376 805 096
Balance at 01 July 2014 as restated*	207 577 510	1 734 855 726	1 942 433 236
Changes in net assets			
Surplus for the year	-	27 032 174	27 032 174
Total changes	-	27 032 174	27 032 174
Restated* Balance at 01 July 2015	207 577 510	1 761 887 897	1 969 465 407
Changes in net assets			
Surplus/(Deficit) for the year	-	(34 869 693)	(34 869 693)
Total changes	-	(34 869 693)	(34 869 693)
Balance at 30 June 2016	207 577 510	1 737 408 436	1 944 985 946
Note(s)	12		

* See Note 39

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015 Restated*
Cash flows from operating activities			
Receipts			
Taxation		26 404 676	57 491 253
Sale of goods and services		129 081 425	9 119 859
Grants		428 430 000	330 195 000
Interest income - trading and investments		10 066 429	4 103 851
Other receipts		22 322 181	1 353 220
		<u>616 304 711</u>	<u>402 263 183</u>
Payments			
Employee costs		(125 250 721)	(121 790 971)
Suppliers		(396 054 935)	(216 693 855)
Finance costs		(395 605)	(660 584)
		<u>(521 701 261)</u>	<u>(339 145 410)</u>
Net cash flows from operating activities	34	<u>94 603 450</u>	<u>63 117 773</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(117 422 435)	(114 630 538)
Proceeds from sale of property, plant and equipment	3	5 239 945	74 615 057
Purchase of other intangible assets	4	(29 433)	(385 682)
Land previously not recognised		-	22 512 110
Net cash flows from investing activities		<u>(112 211 923)</u>	<u>(17 889 053)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(17 608 473)</u>	<u>45 228 720</u>
Cash and cash equivalents at the beginning of the year		86 440 151	41 211 431
Cash and cash equivalents at the end of the year	11	<u>68 831 678</u>	<u>86 440 151</u>

* See Note 39

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Service charges	60 791 024	3 093 806	63 884 830	102 776 567	38 891 737	Due to the uploading of supplementary Valuation Roll and also prior year error correction(s)
Rental of facilities and equipment	594 678	(56 032)	538 646	622 205	83 559	More revenue was collected than anticipated because more users utilised the rented facilities
Interest received - Investment	28 846 542	2 436 550	31 283 092	27 394 308	(3 888 784)	Less interest were charged on arrears because of the amnesty given to the consumers
Total revenue from exchange transactions	88 331 244	5 472 324	93 803 568	130 792 080	36 988 512	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	57 411 200	-	57 411 200	33 183 557	(24 227 643)	The projection of revenue was overstated based on the previous year history of which decreases in the current financial year
Transfer revenue						
Government grants and subsidies	428 430 000	-	428 430 000	518 085 505	87 655 506	Unspent grants rolled over
Licences and permits	6 448 538	(62 702)	6 385 836	5 823 636	(562 200)	Less revenue received than projected because less consumers paid

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2018

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

			Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand							
Public contributions and donations	-	-	-	13 480 181	13 480 181	Received from Nkangala District Municipality	
Fines, Penalties and Forfeits	1 600 000	(814 342)	585 658	1 716 728	1 131 070	Private company issued fines in py in current year only traffic officers issued fines	
Other income	20 755 096	(457 787)	20 297 309	1 254 087	(18 043 242)	More revenue was received than anticipated	
Total revenue from non-exchange transactions	514 544 834	(1 434 831)	513 110 003	571 543 574	88 433 871		
Total revenue			602 878 078	4 037 493	606 915 571	702 335 764	95 422 183
Expenditure							
Personnel	(117 822 014)	(1 464 501)	(119 286 515)	(108 510 078)	10 776 437	Less payment because of vacant posts which were filled late and this resulted to savings	
Remuneration of councillors	(18 512 500)	(1 531 410)	(20 043 910)	(20 009 378)	34 532	The budget was more projected than payments	
Depreciation and amortisation	(151 000 100)	-	(151 000 100)	(133 531 523)	17 468 577	Decrease in depreciation due to disposals of assets	
Impairment loss/ Reversal of impairments	-	-	-	(9 890 472)	(9 890 472)	Revaluation of assets	
Finance costs	-	-	-	(395 605)	(395 605)	Due to late payment of creditors	
Lease rentals on operating lease	(1 181 000)	696 000	(485 000)	(867 695)	(472 695)	Additional contracts were entered and this resulted to additional expenditure	
Bad debts written off	(61 322 939)	-	(61 322 939)	(164 687 527)	(103 374 591)	Prior year error corrections made on billing of consumers	
Repairs and maintenance	(1 650 000)	(657 189)	(2 307 189)	(1 092 153)	1 215 038	Less payments were made than projected	
Bulk purchases	(149 641 061)	12 131 151	(137 509 910)	(119 250 318)	18 259 592	Less was were supplied and this resulted to the less payment made	

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

			Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand							
Government grants and subsidies	(8 747 000)	77 193	(8 669 807)	(57 467 498)	(50 797 691)	Less commitments and payments were made than budgeted	
General expenses	(62 873 140)	(55 138 555)	(118 111 695)	(118 387 556)	1 724 139	Less commitments and payments were made than budgeted	
Total expenditure	(570 849 751)	(45 887 311)	(516 737 062)	(732 189 803)	(118 452 741)		
Operating deficit			32 026 327	(41 849 818)	(9 823 491)	(20 854 049)	(20 830 558)
Fair value adjustments	(3 483 828)	-	(3 483 828)	224 301	3 708 129		
Loss on non-current assets held for sale or disposal groups	-	-	-	(5 239 945)	(5 239 945)	Loss on non-current assets not budgeted for	
	(3 483 828)	-	(3 483 828)	(5 015 644)	(1 531 819)		
Deficit before taxation			28 542 499	(41 849 818)	(13 307 319)	(34 869 693)	(21 582 374)
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement			28 542 499	(41 849 818)	(13 307 319)	(34 869 693)	(21 582 374)
Reconciliation							

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. The reclassification are further explained in note 40.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Traffic fines - IGRAP 1

The application of IGRAP 1 requires estimations to be made on the probability of receipts for traffic fines. This is done using legislation, historical data and payment trends.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including, together with economic factors such as exchange rates inflation interest.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

The municipality's management determines the estimated useful lives and related provision for rehabilitation of landfill sites. The estimates is based on the pattern in which the landfill site's future economic benefits or services potential are expected to be consumed by the municipality.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 20: Related Party Disclosures

GRAP 32: Service Concession Arrangements: Grantor

GRAP 105: Transfer of Function between Entities under Common Control

GRAP 106: Transfer of Function between Entities not under Common Control

GRAP 107: Mergers

GRAP 108: Statutory Receivables

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

The adoption of these standards will have no material impact on the Annual Financial Statements.

The following GRAP standard has been approved but is not required to be applied:

GRAP 18: Segment Reporting

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.5 Property, plant and equipment (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
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THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.5 Property, plant and equipment (continued)

Land	Straight line	Indefinite
Buildings	Straight line	50
Infrastructure	Straight line	
• Roads and Stormwater		25-50
• Reservoirs		50
• Electrical		25
• Water Reticulation		120
• Sewer		60
• Bulk Water Pipeline		60-100
• Sewerage Pump Station		50
• Water Pump Station		60
• Stabilisation Ponds 2		25
• Waste Water Treatment Plant		50
• Borehole		30
• Telemetry System 5		5
Community	Straight line	
• Buildings		50
• Recreational Facilities		50
• Halls		50
• Libraries		50
• Parks and Gardens		50
• Crèche		50
• Abattoir		50
Other property, plant and equipment	Straight line	
• Property, Plant and Equipment		5-10
• IT Equipment		3-5
• Office Equipment		3-7
• Furniture and Fittings		3-7
• Motor Vehicles		5

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.6 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.6 Site restoration and dismantling cost (continued)

If the related asset is measured using the revaluation model:

- (a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
 - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- (b) In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- (c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are initially recognised at cost.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 Financial instruments

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.8 Financial Instruments (continued)

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value (if subsequently measured at fair value).

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.9 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit entity, it generates a commercial return.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

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THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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1.11 Impairment of cash-generating assets (continued)

Reversal of Impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

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1.12 Impairment of non-cash-generating assets (continued)

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow:
[Specify criteria]

1.13 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

1.15 Provisions and contingent liabilities

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

THEMBISILE HANI LOCAL MUNICIPALITY

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Accounting Policies

1.15 Provisions and contingent liabilities (continued)

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.17 Revenue from exchange transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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1.17 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.18 Revenue from non-exchange transactions

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

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1.18 Revenue from non-exchange transactions (continued)

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.19 Investment Income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.26 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2016 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected Impact
<ul style="list-style-type: none"> GRAP 18: Segment Reporting GRAP 20: Related parties GRAP 32: Service Concession Arrangements: Grantor GRAP 108: Statutory Receivables IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset GRAP 16 (as amended 2015): Investment Property 	<ul style="list-style-type: none"> 01 April 2017 01 April 2017 01 April 2016 01 April 2016 01 April 2016 01 April 2016 	<ul style="list-style-type: none"> The impact of the amendment is not material. The impact of the amendment is not material. The impact of the amendment is not material. The impact of the amendment is not material. The impact of the amendment is not material. The impact of the amendment is not material.
<ul style="list-style-type: none"> GRAP 17 (as amended 2015): Property, Plant and Equipment 	<ul style="list-style-type: none"> 01 April 2016 	<ul style="list-style-type: none"> The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements
<ul style="list-style-type: none"> GRAP 108: Accounting by Principals and Agents GRAP 21 (as amended 2015): Impairment of non-cash-generating assets 	<ul style="list-style-type: none"> 01 April 2017 01 April 2017 	<ul style="list-style-type: none"> The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements The impact of the amendment is not material.
<ul style="list-style-type: none"> GRAP 26 (as amended 2015): Impairment of cash-generating assets 	<ul style="list-style-type: none"> 01 April 2017 	<ul style="list-style-type: none"> The adoption of this amendment has not had a material impact on the results of the company but has resulted in more disclosure than would have previously been provided in the financial statements
<ul style="list-style-type: none"> Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities 	<ul style="list-style-type: none"> 01 April 2018 	<ul style="list-style-type: none"> none

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3. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	552 506 516	(236 350 870)	316 155 746	547 872 481	(226 322 441)	321 550 040
Plant and machinery	37 843 674	(23 656 855)	14 286 819	48 128 218	(20 518 098)	27 610 120
Furniture and fixtures	4 288 282	(2 338 681)	1 947 722	4 730 778	(2 133 857)	2 596 922
Motor vehicles	8 680 269	(5 327 322)	3 352 946	10 322 618	(6 178 068)	4 144 550
Office equipment	13 344	(8 386)	4 958	51 017	(30 448)	20 569
Computer equipment	3 972 188	(2 201 700)	1 770 488	5 653 537	(2 850 163)	2 803 374
Infrastructure	2 987 789 690	(1 446 310 184)	1 541 479 506	2 776 400 866	(1 322 600 338)	1 453 800 528
Community	540 528	(389 148)	151 380	648 684	(423 168)	225 516
Assets under construction	21 750 387	-	21 750 387	101 453 188	-	101 453 188
Total	3 597 462 990	(1 715 554 984)	1 881 907 996	3 493 261 178	(1 580 143 675)	1 913 117 503

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land and Buildings	321 550 040	3 487 543	-	1 148 590	-	(10 028 428)	-	318 155 745
Plant and machinery	25 508 120	475 857	(4 022 646)	-	-	(7 877 507)	(5)	14 284 819
Furniture and fixtures	2 598 822	-	(175 800)	-	-	(473 180)	(110)	1 947 722
Motor vehicles	5 143 553	494 885	(801 753)	-	-	(1 703 512)	(4)	3 332 849
Office equipment	15 571	-	(5 925)	-	-	(4 887)	(1)	4 958
Computer equipment	2 823 374	131 542	(417 847)	-	-	(786 750)	(21)	1 770 498
Infrastructure	1 453 800 317	9 944 638	-	181 444 398	-	(112 819 502)	(9 890 315)	1 522 479 538
Community	225 518	-	(16 174)	-	-	(57 946)	(10)	151 382
Assets under construction	101 453 186	102 888 100	-	-	(182 590 988)	-	-	21 750 398
	1 013 117 501	117 422 435	(5 239 945)	182 590 988	(182 590 988)	(133 631 522)	(9 890 472)	1 081 877 697

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Impairment loss	Total
Land and Buildings	380 652 067	26 573 185	(74 648 275)	-	-	(11 026 100)	(837)	321 550 040
Plant and machinery	33 214 950	185 000	-	-	-	(7 870 830)	-	25 509 120
Furniture and fixtures	3 121 680	18 608	-	-	-	(543 477)	-	2 596 822
Motor vehicles	6 684 278	-	-	-	-	(1 489 413)	(71 313)	5 143 653
Office equipment	21 185	-	-	-	-	(8 814)	-	12 371
Computer equipment	3 877 687	56 211	-	-	-	(1 112 524)	-	2 823 374
Infrastructure	1 532 179 703	21 282 540	(525 068)	19 398 872	-	(118 535 728)	-	1 453 800 317
Community	284 308	-	-	-	-	(58 788)	-	225 520
Assets under construction	54 319 085	66 532 993	-	-	(19 398 872)	-	-	101 453 206
	2 014 354 932	114 630 838	(75 173 344)	19 398 872	(19 398 872)	(140 622 478)	(72 150)	1 913 117 601

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4. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	415 115	-	415 115	385 682	-	385 682

Reconciliation of Intangible assets - 2016

	Opening balance	Additions	Total
Computer software, other	385 682	29 433	415 115

Reconciliation of Intangible assets - 2015

	Opening balance	Additions	Total
Computer software, other	-	385 682	385 682

5. Employee benefit obligations

Long service bonus awards

The municipality's defined benefit obligation consists of an obligation to pay out a bonus in the year of the employee attaining the required service. This obligation represent a liability to the municipality and the value is represented by the present value of the total defined benefit obligation expected to become payable under the municipality's current policy.

The municipality offers bonuses for every 5 years of completed service from 10 years to 45 years.

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of long service awards bonus-wholly unfunded	(7 015 000)	(5 297 000)

The most recent actuarial valuation of the present value of the long service award bonus were carried out at 30 June 2016 by One Pagaea Financials. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the Projected Unit Credit Method.

Net expense recognised in the statement of financial performance

Current service cost	861 000	772 000
Interest cost	428 000	361 000
Actuarial (gains) losses	1 037 000	(14 000)
Bonuses paid	(608 000)	(44 000)
	1 718 000	1 075 000

Key assumptions used

Assumptions used at the reporting date:

Duration of liability (years)	9	10
Normal retirement age	63	63
Discount rates used	9,10 %	8,60 %
Inflation rate used	6,72 %	6,25 %
Expected Increase in salaries	7,72 %	7,25 %

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5. Employee benefit obligations (continued)

Sensitivity analysis

The valuation basis assume that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determine the bonuses payable) will be 1,15% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the salary inflation rates is as follows:

	One percentage point increase	One percentage point decrease
Accrued Liability	7 747 000	6 372 000
Expense cost	1 844 000	1 570 000

As per the table above , a 1% increase in the salary increase rate results in a 10,43% increase in the accrues liability whilst a 1% decrease in the salary increase rate will result in a 9,17% decrease in the accrued liability.

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6. Inventories		
Inventories: Land held for sale	74 648 275	74 648 275
Water	11 325 330	7 018 466
Stores and materials	860 335	573 066
	86 833 940	82 239 807

During the 2015-2016 the municipality incurred water distribution losses to the value of R67 228 927 (2014-2015 R58 394 773) are in excess of original cost. Inventory is now stated at its original cost.

7. Receivables from exchange transactions

Deposits	83 300	83 300
Trade creditors with debit balances	3 109 162	3 280 072
Debtors shortages	65 010	22 717
Sundry debtors	213 917	62 731
	3 471 389	3 448 820

8. Receivables from non-exchange transactions

Fines	39 454	47 008
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Reconciliation of receivables from non-exchange transactions

Provision for impairment	14 490 779	13 024 197
Amounts written off as uncollectible	(14 451 325)	(12 977 189)
	39 454	47 008

9. VAT receivable

VAT Receivable	27 067 979	20 852 634
VAT Payable	(11 453 263)	(11 991 816)
	15 614 716	8 860 818

All VAT returns have been submitted by the due date throughout the year.

10. Consumer debtors

Gross balances		
Rates	150 707 505	226 805 125
Water	311 199 390	163 212 732
Sewerage	5 871 687	6 402 725
Refuse	111 582 045	53 071 039
	579 340 627	449 491 621
Less: Allowance for Impairment		
Rates	(152 194 117)	(184 446 571)
Water	(298 751 416)	(158 020 199)
Sewerage	(5 836 820)	(8 200 470)
Refuse	(107 099 564)	(51 380 527)
	(563 681 917)	(400 047 767)

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10. Consumer debtors (continued)

Net balance

Rates	6 341 422	42 358 554
Water	12 447 974	5 192 533
Sewerage	234 867	202 255
Refuse	4 462 481	1 690 512
	23 486 744	49 443 854

Rates

Current (0 - 30 days)	2 156 083	5 739 746
31 - 60 days	1 141 456	844 744
61 - 90 days	126 829	831 644
91 - 120 days	126 828	1 415 704
121 - 365 days	507 314	21 837 574
> 365 days	2 282 912	11 689 142
	6 341 422	42 358 554

Water

Current (0 - 30 days)	4 232 312	229 858
31 - 60 days	2 240 636	73 150
61 - 90 days	248 960	72 403
91 - 120 days	248 960	72 249
121 - 365 days	995 835	1 021 541
> 365 days	4 481 271	3 723 332
	12 447 974	5 192 533

Sewerage

Current (0 - 30 days)	79 855	3 936
31 - 60 days	42 276	4 154
61 - 90 days	4 697	4 128
91 - 120 days	4 698	4 118
121 - 365 days	18 789	66 175
> 365 days	84 552	119 744
	234 867	202 255

Refuse

Current (0 - 30 days)	1 517 244	73 900
31 - 60 days	803 547	35 375
61 - 90 days	89 250	35 256
91 - 120 days	89 249	35 199
121 - 365 days	356 999	536 084
> 365 days	1 606 192	974 698
	4 462 481	1 690 512

Reconciliation of allowance for Impairment

Balance at beginning of the year	(400 047 765)	(327 775 458)
Contributions to allowance	(163 634 152)	(72 272 311)
	(563 681 917)	(400 047 767)

11. Cash and cash equivalents

Cash and cash equivalents consist of:

THEMBISILE HANI LOCAL MUNICIPALITY

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2016

2015

11. Cash and cash equivalents (continued)

Cash on hand	5 000	5 000
Bank balances	36 289 747	36 242 573
Short-term deposits	32 556 931	50 192 578
	68 831 678	86 440 151

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
First National Bank - Current Account: 620-262-98427	19 855 347	8 533 386	8 436 839	19 855 347	8 533 386	8 436 839
First National Bank - Call Deposit: 625-944-85270	10 926 067	30 000 000	183 036	10 926 067	30 192 578	183 036
First National Bank - Call Deposit: 621-470-52427	210 262	-	-	210 582	-	-
Capitec Bank - Current Account: 117-301-4177	-	168 276	165 200	-	168 276	165 200
Nedbank - Current Account: 100-422-2378 (Main Account)	16 390 556	27 467 051	32 421 355	16 414 400	27 540 911	32 421 355
Nedbank - Call Deposit: 788-152-7927	21 398 437	20 000 000	-	21 398 437	20 000 000	-
Standard Bank - Money Market Call Account: 338589783-004	22 165	-	-	22 165	-	-
Total	68 802 834	86 168 713	41 208 430	68 828 978	86 435 151	41 208 430

12. Revaluation reserve

Opening balance	207 577 510	207 577 510
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13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Municipal Infrastructure Grant (MIG)	21 142 981	57 091 035
Movement during the year		
Balance at the beginning of the year	57 091 035	89 747 800
Additions during the year	89 139 000	63 731 000
Income recognition during the year	(125 087 054)	(96 387 765)
	21 142 981	57 091 035

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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14. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Reversed during the year	Total
Environmental rehabilitation	18 994 717	(3 336 544)	15 658 173
Provision for Bonuses	2 714 554	(224 301)	2 490 253
	21 709 271	(3 560 845)	18 148 426

Reconciliation of provisions - 2015

	Opening Balance	Additions	Reversed during the year	Total
Environmental rehabilitation	16 836 137	2 358 580	-	18 994 717
Provision for Bonuses	2 786 753	-	(72 199)	2 714 554
	19 422 890	2 358 580	(72 199)	21 709 271
Non-current liabilities			15 658 173	18 994 717
Current liabilities			2 490 253	2 714 554
			18 148 426	21 709 271

The municipality raises a provision for 13th cheque bonuses that staff members receive during their birthday month. The provision is based on the most recent effective salary notches of individual employees.

The municipality has two dumping sites, one in Kwaggafontein which is 3,5 hectares and the other one in KwaMhlanga which is 4,5 hectares. The remaining useful lives of these dumping sites are 5 years and 10 years respectively. Each year of the dumping sites remaining useful lives are assessed and the provision is adjusted accordingly.

The Operational and Maintenance costs of the landfill sites were conducted independently by Aurecon

15. Payables from exchange transactions

Trade Creditors	1 137 709	126 949
Payments received in advanced - contract in process	4 389 572	6 017 843
Accrued expenses	53 023 523	60 838 121
Other deposits	219 730	182 110
Retention	15 076 168	10 520 818
Accrued leave pay	9 924 610	8 781 712
Unallocated deposits	5 507 365	4 143 375
	89 278 677	90 420 928

16. Revenue

Service charges	102 775 567	94 696 399
Rental of facilities and equipment	622 205	787 530
Interest received - investment	27 384 308	21 819 785
Property rates	33 183 557	44 693 472
Government grants and subsidies	516 085 505	362 851 765
Licences and permits	5 823 636	5 296 314
Public contributions and donations	13 480 181	25 630 449
Fines, Penalties and Forfeits	1 716 728	11 722 482
Other income	1 254 067	1 337 852
	702 335 754	568 836 048

THEMBISILE HANI LOCAL MUNICIPALITY

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Figures in Rand	2016	2015
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16. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	102 775 567	84 698 399
Rental of facilities and equipment	622 205	787 530
Interest received - investment	27 394 308	21 819 785
	130 792 080	117 303 714

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	33 183 557	44 693 472
Transfer revenue		
Government grants & subsidies	516 085 505	362 851 765
Licences and permits	5 823 636	5 298 314
Public contributions and donations	13 480 181	25 630 449
Fines, Penalties and Forfeits	1 716 728	11 722 482
Other income	1 254 067	1 337 852
	671 643 674	451 532 334

17. Service charges

Sale of water	77 044 207	65 982 470
Sewerage and sanitation charges	1 876 659	1 727 514
Refuse removal	23 854 701	27 006 415
	102 775 567	94 696 399

18. Rental of facilities and equipment

Premises	551 971	697 158
Facilities and equipment		
Facilities	70 234	90 372
	622 205	787 530

19. Investment revenue

Interest revenue		
Bank	3 241 516	2 598 014
Interest charged on trade and other receivables	17 327 879	17 716 934
Interest on investment	6 824 913	1 505 837
	27 394 308	21 819 785

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
20. Property rates		
Rates received		
Residential	33 183 557	44 693 472
Valuations		
Residential	7 261 231 798	6 879 105 479
Commercial	258 858 015	163 487 015
State	28 937 300	3 980 000
Municipal	115 732 060	97 959 680
Agricultural	1 529 616 000	1 765 238 000
Schools	258 230 500	255 000 500
Parks	23 539 700	24 739 700
Charges	26 127 000	-
	9 502 272 373	9 189 490 354

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2014. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

21. Grants and subsidies paid

Municipal Financial Management Grant (FMG)	1 071 504	1 240 000
Municipal Systems Improvement Grant	2 546 342	934 000
Electrification Grant	40 849 652	10 757 000
Water Grant expenditure	13 000 000	300 000

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
22. Government grants and subsidies received		
Operating grants		
Equitable share	288 644 000	259 923 819
Capital grants		
MIG	125 087 054	79 336 946
FMG	1 600 000	1 600 000
MSIG	930 000	934 000
EPWP Grant	3 117 000	3 757 000
Water Subsidy	45 004 451	10 000 000
INEP Grant - In kind	38 703 000	7 000 000
Water Grant - In kind	13 000 000	300 000
	227 441 505	102 927 946
	516 085 505	362 851 765

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

MIG

Balance unspent at beginning of year	57 091 035	88 987 981
Current-year receipts	89 139 000	47 440 000
Conditions met - transferred to revenue	(125 087 054)	(79 336 946)
	21 142 981	57 091 035

Conditions still to be met - remain liabilities (see note 13).

FMG

Current-year receipts	1 600 000	1 600 000
Conditions met - transferred to revenue	(1 600 000)	(1 600 000)
	-	-

EPWP Grant

Current-year receipts	2 182 000	3 757 000
Conditions met - transferred to revenue	(2 182 000)	(3 757 000)
	-	-

MSIG

Current-year receipts	930 000	934 000
Conditions met - transferred to revenue	(930 000)	(934 000)
	-	-

Water Grant

Current-year receipts	45 000 000	10 000 000
Conditions met - transferred to revenue	(45 000 000)	(10 000 000)
	-	-

Conditions still to be met - remain liabilities (see note 13).

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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22. Government grants and subsidies received (continued)

INEP

Balance unspent at beginning of year	-	759 819
Allocated to Equitable Share	-	(759 819)
	-	-

Conditions still to be met - remain liabilities (see note 13).

23. Licences and permits

Licences and permits	5 823 636	5 296 314
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24. Public contributions and donations

Donation received	13 480 181	25 630 449
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Donations by way of assets were received from National Treasury, Department of Environmental Affairs and the Nkangala District Municipality.

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
25. Employee related costs		
Basic salary	71 510 894	68 393 459
Bonus	7 231 824	5 305 988
Medical aid - company contributions	5 304 800	4 821 172
UIF	617 724	599 952
WCA	-	1 949 877
SDL	822 151	775 746
Leave pay provision charge	1 719 893	5 471 862
Travel, motor car, accommodation, subsistence and other allowances	2 879 791	2 186 416
Overtime payments	-	124 555
Long-service awards	607 689	1 075 000
Ward committee allowance	3 754 000	3 986 000
Housing benefits and allowances	83 597	84 066
Cellphone allowances	489 050	445 230
Pension contributions	13 120 537	12 687 196
SALGBC	34 224	33 090
Acting allowances	334 104	401 917
	108 510 078	108 431 426
Remuneration of Municipal Manager: Mr J Sindane 01 July 2014 to 28 February 2015		
Annual Remuneration	-	770 880
Car Allowance	-	120 000
Contributions to UIF, Medical and Pension Funds	-	2 677
Subsistence and travel allowance	-	39 921
	-	933 478
Remuneration of Municipal Manager: Mr ON Nkosi 01 March 2015 to 30 June 2016		
Annual Remuneration	917 601	289 080
Car Allowance	180 000	45 000
Contributions to UIF, Medical and Pension Funds	48 324	892
Subsistence and travel allowance	-	39 921
	1 145 925	374 893
Remuneration of Acting Chief Finance Officer: Ms LS Sehlako 01 January 2016 to 30 June 2016		
Acting allowance	59 437	-
Remuneration of Acting Chief Finance Officer: Ms MS Makgaba 15 March 2015 to 31 December 2015		
Annual Remuneration	473 163	262 878
Car Allowance	90 000	195 000
Backpay	18 768	648 297
Contributions to UIF, Medical and Pension Funds	59 465	39 595
Subsistence and travel allowance	8 223	6 558
	649 619	1 152 328
Remuneration of Corporate Services Manager: Mr P Mabuzza		
Annual Remuneration	737 190	635 199
Car Allowance	180 000	180 000
Contributions to UIF, Medical and Pension Funds	140 724	201 003
	1 057 914	1 016 202
Remuneration of Social Services Manager: Mr T Kubheka		

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Annual Financial Statements for the year ended 30 June 2016

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Figures in Rand	2016	2015
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25. Employee related costs (continued)

Annual Remuneration	797 190	673 930
Car Allowance	120 000	144 000
Contributions to UIF, Medical and Pension Funds	140 724	194 333
	1 057 914	1 012 263

Remuneration of Acting Technical Services Manager: Mr V Sibuyi 01 September 2015 to 31 January 2016

Acting allowance	45 049	-
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Remuneration of Technical Services Manager: Mr RF Morudu 01 February 2016 to 30 June 2016

Annual Remuneration	633 353	-
Car Allowance	120 000	-
Contributions to UIF, Medical and Pension Funds	94 272	-
	847 625	-

Remuneration of Technical Services Manager: Mr AS Ntuli 01 July 2015 to 30 June 2016

Annual Remuneration	137 525	714 804
Car Allowance	20 000	120 000
Back Pay	8 396	-
Contributions to UIF, Medical and Pension Funds	14 583	110 669
Subsistence and travel allowance	14 758	26 624
	195 242	972 097

26. Remuneration of councillors

Executive Mayor	823 609	739 363
Chief Whip	624 952	462 226
Speaker	698 989	595 664
Councillors	17 861 828	16 603 290
	20 009 378	18 400 543

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

27. Depreciation and amortisation

Property, plant and equipment	133 531 523	140 622 477
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THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
28. Impairment of assets		
Impairments		
Property, plant and equipment	9 890 472	72 150
Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]		
<hr/>		
[Disclose the following information for the aggregate impairment losses and the aggregate reversals of impairment losses recognised during the period for which no information has otherwise been disclosed:]		
The main classes of assets affected by impairment losses are:		
The main classes of assets affected by reversals of impairment losses are:		
The main events and circumstances that led to the recognition of these Impairment losses are as follows:		
The main events and circumstances that led to the reversals of these impairment losses are as follows:		
29. Finance costs		
Other Interest paid	395 605	660 584
30. Debt impairment		
Bad debts	164 697 527	82 732 446
31. Bulk purchases		
Water	119 250 318	99 989 953

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Notes to the Annual Financial Statements

Figures In Rand	2016	2015
32. General expenses		
Advertising	260 684	214 295
Auditors remuneration	4 452 776	4 237 834
Bank charges	296 582	152 989
Consulting and professional fees	7 143 703	6 271 505
Consumables	-	86 887
Discount allowed	325 860	790 100
Entertainment	15 988	300
Insurance	1 175 595	1 384 759
Community development and training	-	122 200
Computer expenses	429 995	143 859
Marketing	85 655	-
LED Expenses	33 051	-
Motor vehicle expenses	4 453 360	1 207 658
Valuation roll	-	763 211
Fuel and oil	4 612 980	3 468 315
Postage and courier	7 625	8 216
Printing and stationery	815 738	859 076
Promotions	261 240	148 145
Project maintenance costs	40 433 989	8 529 862
Security (Guarding of municipal property)	11 447 813	10 543 933
Software expenses	1 048 357	794 323
Subscriptions and membership fees	1 148 910	448 747
Telephone and fax	2 238 292	1 660 914
Training	369 358	779 126
Travel - local	69 758	220 993
Electricity	5 974 797	5 642 152
Materials and supplies	1 238 259	998 788
Licences	401 471	454 607
Town planning cost	47 723	-
Sample testing - Water	483 834	483 834
Other expenses	27 114 163	23 389 361
	116 387 556	73 775 789
33. Decrease in leave and bonus provision		
Decrease In leave and bonus provision	224 301	72 199

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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
34. Cash generated from operations		
(Deficit) surplus	(34 869 693)	27 032 174
Adjustments for:		
Depreciation and amortisation	133 531 523	140 622 477
Loss on sale of assets	5 239 945	558 287
Movement in leave and bonus provision	(224 301)	(72 199)
Impairment deficit	9 890 472	72 150
Debt impairment	164 897 549	82 732 446
Movements in retirement benefit assets and liabilities	1 718 000	1 075 000
Movements in other provisions	(3 560 845)	2 286 381
Payables adjustment	-	602 867
VAT adjustment	(3 516 843)	(9 089 458)
Loss on property, plant and equipment	-	108 053
Changes in working capital:		
Inventories	(4 594 133)	(80 898 156)
Receivables from exchange transactions	(22 569)	(40 083)
Consumer debtors	(129 849 006)	(111 104 261)
Other receivables from non-exchange transactions	7 554	(50 812)
Payables from exchange transactions	(1 142 251)	37 296 352
VAT	(6 753 898)	4 655 293
Unspent conditional grants and receipts	(35 948 054)	(32 656 765)
	94 603 450	63 117 776

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35. Financial Instruments disclosure

Categories of financial instruments

2016

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	3 641 991	3 641 991
Other receivables from non-exchange transactions	-	47 008	47 008
Cash and cash equivalents	66 435 123	-	66 435 123
	66 435 123	3 688 999	70 124 122

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	89 253 652	89 253 652

2015

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	5 688 992	5 688 992
Other receivables from non-exchange transactions	-	13 383 060	13 383 060
Cash and cash equivalents	86 437 076	-	86 437 076
	86 437 076	19 072 052	105 509 128

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	90 590 337	90 590 337

36. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	79 620 063	104 130 694
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Total capital commitments

Already contracted for but not provided for	79 620 063	104 130 694
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37. Contingencies

THLM vs Lawmark Consulting CC - Case no: 70121/11

Joint Venture between Lawmark and Casnans is suing the municipality for termination of contract. The amount being claimed is R1 200 000.

THLM vs Piet Chilli - Case no:12/2013

Mr Chilli has issued a summons against the municipality claiming among other loss of income as a result of alleged breach of contract on the part of the municipality to the amount of R38 204.

Johannah Ntuli vs THLM - Case no: 1313/15

Johannah Ntuli is claiming R1 550 000 for damages as a result of negligence of the municipality.

THLM vs Telkom - Case no: 110/2015

The plaintiff is alleging that at or near Moloto Road on or about the 04th of March 2013, employees of the municipality acting within their scope of employment damaged an overhead cable belonging the plaintiff. No amount available

JC Msiiza & BM Skosana vs TMLM - Case no 1263/12

Awaiting judgement on the application for leave to Appeal - No amount available

TMLM vs SAMWU abo Thutse Reinethine Mmantlmo - Case no: JS436/15

There were two appointments done while the vacant position was one. - Amount claimed R170 658.00

Imatu Obo MM Legodi vs THLM - Case no: MPD 041601

Unfair Labour Practice: The applicant has lodged an unfair labour practice dispute against THLM in that she was denied a fair and equal opportunity in competing for the Chief Risk Officer position. Matter is still under investigation

38. Related parties

There were no related party transactions during the financial period

39. Prior period errors

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Intangible assets: Software additions 2014-2015	-	385 682
Investment Properties: Write back	-	(1 238 919)
Inventory: Land held for sale recognition	-	74 648 275
PPE: Balancing of Trial balance prior year	-	10 042 590
Payables - Trade Creditors: Correction of prior year error and duplication Invoice	-	184 274
Payables - Retention: VAT recognition 2014-2015	-	(509 903)
Consumer Debtors: Update of Supplementary valuation roll	-	30 929 984
PPE: Fixed Asset Register correction for 2014-2015	-	352 241 104
PPE: Moveable assets addition correction 2014-2015	-	241 819
VAT: Correction 2014-2015 Input VAT and Output VAT	-	8 128 119
Opening Accumulated Surplus or Deficit	-	(376 805 095)

Statement of Financial Performance

Depreciation expense	-	35 345 568
Debt impairment	-	27 526 794
Machinery & equipment (vote: 550307010)	-	(76 819)
Repairs & maintenance (vote: 540235050)	-	(165 000)
Software licence (vote: 10626030)	-	(385 681)

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40. Comparative figures

Certain comparative figures have been reclassified.

Statement of Financial Position	2015 Restated	2015 PUBLISHED	Explanation of change
Assets			
Current Assets			
Inventory: Land held for sale	82 239 807	7 591 532	Recognition of land held for sale
Receivables from exchange transactions	3 448 820	3 495 829	Split between exchange and non exchange receivables
Receivables from non-exchange transactions	47 008	-	- Split between exchange and non exchange receivables
Consumer debtors	49 443 854	46 041 666	Debtors written back and debit notes passed
Non-Current Assets			
Property, Plant and Equipment	1 913 117 801	1 585 937 568	Updated FAR with relevant project information
Intangible assets	385 682	-	- Correction of Intangible asset previously not recognised
Liabilities			
Current Liabilities			
Payables from exchange transactions	90 420 628	89 911 025	Correction of VAT in Retention not recognised previously
Accumulated surplus	1 761 857 897	1 358 020 830	Refer prior period error note 36

Statement of Financial Performance	2015 Restated	2015 PUBLISHED	Explanation of change
Revenue			
Revenue from Exchange Transactions			
Service charges	94 698 399	58 256 818	Debtors written back and debit notes passed
Rental of facilities	787 530	773 694	Reclassification of revenue
Interest received - Investment	21 819 785	4 103 851	Consolidation of Interest and correction of debtors
Interest received - trading	-	24 678 747	Included above
Revenue from Non-Exchange Transactions			
Taxation Revenue			
Property rates	44 693 472	45 254 092	Debtors written back and debit notes passed
Expenditure			
Employee related costs	(108 431 426)	(104 534 024)	Employee related cost incorrectly included under general expenditure
Remuneration of councilors	(18 400 543)	(18 391 048)	Remuneration of councilors incorrectly included in general expenses
Rental of office equipment	(768 838)	-	- Rental of office equipment incorrectly included as general expenditure
Depreciation	(140 822 477)	(105 278 808)	Updated FAR with relevant project information

THEMBISILE HANI LOCAL MUNICIPALITY

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40. Comparative figures (continued)

Repairs and maintenance	(2 693 592)	(1 478 104)	Waste water network incorrectly included under general expenditure
Debt impairment	(82 732 448)	(5 520 562)	Debtors written back and debit notes passed
Grants and subsidies	(13 231 000)	(12 297 000)	MSIG grant incorrectly included in general expenditure
General expenditure	(73 775 769)	(81 045 895)	Correction of incorrect allocation to general expenditure

41. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

THEMBISILE HANI LOCAL MUNICIPALITY

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41. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2016				
Payables from exchange transactions	58 767 728	17 327 419	2 813 883	10 369 650
At 30 June 2015				
Payables from exchange transactions	64 610 930	11 888 244	1 093 911	12 847 843

Financial instrument	2016	2015
Cash and cash equivalents	68 831 678	86 440 151
Consumer debtors	23 486 744	49 443 854
Receivables from exchange transactions	3 471 389	3 448 820
Receivables from non-exchange transactions	39 454	47 008

42. Going concern

We draw attention to the fact that at 30 June 2016, the municipality had a deficit of R (34 869 693) and that the municipality's total liabilities does not exceed its assets.

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.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality and that the subordination agreement referred to in note XX of these annual financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

43. Unauthorised expenditure

Unauthorised expenditure	93 422 232	115 850 336
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44. Fruitless and wasteful expenditure

Opening balance	2 382 896	92 367
Fruitless and wasteful expenditure current year	303 650	2 290 529
	2 686 546	2 382 896

Fruitless and wasteful expenditure occurred due to interest paid on late payments made to the following suppliers:

Auditor General South Africa	R 36 123
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44. Fruitless and wasteful expenditure (continued)

Eskom	R 9 075
Randwater	R248 100
Telkom	R 10 352

45. Irregular expenditure

Opening balance	99 330 927	49 220 682
Add: Irregular Expenditure - current year	76 391 928	50 996 479
Less: Amounts written off	-	(886 234)
	175 722 855	99 330 927

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Max Prof	VAT recovery	5 732 743
VVT (Subcontractors)	Appointment for maintenance of water infrastructure	30 756 796
Speedway	Supply of Diesel and Fuel	4 243 983
	Contract were extended Incontravention with section 111 of MFMA Act	
Munsoft	Maintenance of FMS	1 188 933
Rand Water Project	MIG water project: Rand Water appointed for MIG project	33 905 555
De Wit Motors	Procurement of Mayors Car	563 918
		76 391 928

46. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year fee	4 452 776	4 526 897
Amount paid - current year	(4 452 776)	(4 526 897)
	-	-

PAYE and UIF

Current year fee	12 627 269	11 749 526
Amount paid - current year	(12 627 269)	(11 749 526)
	-	-

Pension and Medical Aid Deductions

Current year fee	19 818 876	19 450 059
Amount paid - current year	(19 818 876)	(19 450 059)
	-	-

THEMBISILE HANI LOCAL MUNICIPALITY

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2016:

30 June 2016	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Buda HM	216	109	325
Dhlangalala Heremina Nomakhuwa	471	-	471
Dube Shellboy Senzeni	34	-	34
Hlungwani Sarah Malebo	18 202	1 897	20 099
Khumalo Aaron Bhinga	305	-	305
Mahlangu Amos	141	32	173
Mahlangu Bellinah Thobile	3 631	-	3 631
Mahlangu Ndaweni Johannes	1 168	10 995	12 163
Mahlangu Jerry Thili	141	356	497
Masango Selsiwe Jack	61	-	61
Mashiya Joseph Fanie	478	639	1 117
Masombuka Bafana Phillip	165	4 156	4 321
Masombuka John Msebenzi	6 354	3 829	10 183
Mboweni Linda Modlegi	-	3 131	3 131
Mlambo Maria	238	144	382
Mnamatheli Samuel Zwelabo	77	-	77
Mnguni Maria Qhubeni	652	-	652
Mnisi Sgaule Timothy	149	773	922
Mohoaduba Andrew Mduduzi	142	-	142
Mosena Mapuse Christina	1 250	-	1 250
Moseri Phineas Pule	19 450	625	20 075
Motana Mitopi Andries	14	350	364
Mthombeni Thandi Winnie	379	12 951	13 330
Mtshweni SP	686	3 273	3 959
Ngoma Norman	28	2 585	2 613
Nkabinde Moses Michael	1 422	-	1 422
Nobela Maria Truddy	165	81	246
Sepogoane Moses Mmoisetsie	93	316	409
Shabalala Mandla Cyril	2 901	-	2 901
Sikosana Mzwandile Obed	141	46	187
Tau Joyce Johannah	58	-	58
Tshabangu Lillian Martha	693	-	693
Zabane Canelia Dudu	93	-	93
	59 998	46 288	106 286

30 June 2015	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Mahlangu Amos	136	8 065	8 201
Mtshweni Phillip Mcitwa	137	632	769
Huma Tabeah Leah	102	1 539	1 641
Motana Mitopi Andries	-	304	304
Skosana Bandile Johanna	126	5 592	5 718
Jiyane Koos Vusi	-	1 124	1 124
Mahlangu Johannes Buti	-	846	846
Mohlamonyane Raisibe Helen	-	685	685
Mlambo Maria	-	804	804
Mashiya Joseph Fanie	242	9 522	9 764
Mnisi Sgaule Timothy	9	948	957

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)

Sepogoane Moses Mmoisetsie	120	3 236	3 356
Khumalo Aaron Bhinga	-	1 068	1 068
Mhlangi Jerry Thili	125	6 215	6 340
Mtsweni S P	89	1 582	1 671
Buda H N	99	1 251	1 350
Meibi Daisy Mamanyana	88	1 300	1 388
Mnguni Maria Qhubeni	-	570	570
Sikosna Mzwandile Obed	-	824	824
Masango Seisiwe Jack	94	1 834	2 028
Mahlangu Solomon Linda	137	7 172	7 309
Malefo Nimrod Boltumelo	90	1 475	1 565
Ntuli Jan Samuel	89	1 586	1 675
Motau Aaron Samson	184	7 113	7 297
Mahlangu Bellinah Thobile	240	11 577	11 817
Mtsweni June Lindenl	55	8	63
Dube Shellboy Senzeni	108	797	905
Kabine Hendrick Martin	185	5 748	5 933
Nkabinde Moses Michael	90	940	1 030
Mnamatheli Samuel Zwelabo	19	1 796	1 815
Lukele David Vulani	240	14 775	15 015
Hlunwani Sarah Malebo	332	14 732	15 064
Mahlangu Ndaweni Johannes	4	4 102	4 106
Nthombeni Thandi Winnie	333	20 086	20 429
Zabane Canella Dudu	126	6 404	6 530
Nobela Maria Truddy	121	4 645	4 766
Tau Joyce Johannah	-	1 412	1 412
Msiza Marcia	-	1 706	1 706
Tshabangu Lillian Martha	115	1 402	1 517
Mboweni Linda Modiegi	92	1 675	1 767
Dhlangalala Heremlinah Nomakhuwa	92	1 675	1 767
Motanyane Thokozile Egnas	159	282	441
Kabini Sam Ququza	141	7 997	8 138
Masuku Mary Jane	89	1 130	1 219
Moseri Phineas Pule	403	18 988	19 371
Mashinini Thabisile Elsie	140	8 932	9 072
Mohoadube Andrew Mduduzi	113	1 748	1 861
Sibanyoni Bethuel	454	20 117	20 571
Danisa Muziwakhile	-	756	756
Mahlangu Zelani Nelly	186	4 755	4 941
Mtsweni Rubber Qaliwe	88	1 080	1 178
Mnguni Zenaye Jantjie	140	8 826	8 966
Komane Moloi Gibson	140	8 826	8 966
Mandosela Mafael Josiah	124	5 700	5 824
Masombuka Bafana Philip	139	11 438	11 577
Masangu Thandi Esther	37	1 195	1 232
Myakeni Boisana Solomon	32	855	887
Zondi Stanley Thabang	-	540	540
Masombuka John Msebenzi	295	5 658	5 953
Shabalala Mandla Cyrel	268	11 046	11 314
Msiza Poppy Maria	11	242	253
	6 978	278 978	285 956

THEMBISILE HANI LOCAL MUNICIPALITY

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and be reorted to Council for noting.

Incident

If such goods or services are produced or available only

- 16 436

In any other exceptional case where it is impractical or impossible to follow official procurement process

377 534 136 089

377 534 162 505

47. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Repairs of the recording system in the Municipal Council Chamber during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

The municipality appointed a service provider in terms of section 32 and did not go out on tender resulting in a deviation from the tender process. The amount of appointment was R1 665 881.

THEMBISILE HANI LOCAL MUNICIPALITY
Appendix F: Unaudited
Disclosure of Grants and Subsidies in terms of Section 123 MFMA, 55 of 2003
June 2016

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Re nonc
		Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar	
Finance Management Grant		-	-	1 800 000	-	-	-	-	-	-	-	-	-	-	-	Yes
Municipal system improvement grant		-	-	930 000	-	-	-	-	-	-	-	-	-	-	-	Yes
Municipal Infrastructure Grant		-	-	45 273 000	-	-	-	-	41 898 000	-	-	-	-	-	-	Yes
Water Services Operating Subsidy (6th 6)		-	-	3 750 000	-	-	-	-	7 500 000	-	-	-	-	-	-	Yes
EPW		-	-	1 247 000	-	-	-	-	935 000	-	-	-	-	-	-	Yes
		-	-	52 800 000	-	-	-	-	50 134 000	-	-	-	-	-	-	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
1. MATTERS AFFECTING THE AUDIT REPORT				
1.1. QUALIFICATION MATTER				
1. Property, Plant and Equipment				
DETAILS: Completeness of FAR.	1. Late finalization of the Asset Register by the service provider appointed the National Treasury	1. Monthly updating of FAR 2. Quarterly review of FAR	Assistant Manager: Assets Management	28-Feb-17
2. Difference between the FAR and the AFS.	Late finalization of the Asset Register by the service provider appointed the National Treasury	1.FAR to be finalized 10 days before the submission of the AFS. 2. The AFS to be reviewed thoroughly by Management and submitted on time to the Internal Audit and Audit Committee	Assistant Manager: Assets Management	22-Aug-17
3. PPE prior period error disclosed in the AFS is inaccurate.	Lack sufficient time to review the AFS before submission Late finalization of the Fixed Asset Register	1.FAR to be finalized 10 days before the submission of the AFS. 2. The AFS to be reviewed thoroughly by Management and submitted on time to the Internal Audit and Audit Committee	Assistant Manager: Assets Management	22-Aug-17

4. Journal provided has no supporting documents.	Lack of sufficient time to review documents accompanying the FAR and the AFS Late finalization of Fixed Asset Register	1. Supporting documentation to be attached to all journals processed	Assistant Manager: Assets Management	31 January 2017 and ongoing
5. AFS PPE note does not agree to the face of the statement of financial statement.	Lack of sufficient time to review documents accompanying the FAR and the AFS	1.FAR to be finalized 10 days before the submission of the AFS. 2. The AFS to be reviewed thoroughly by Management and the Audit Committee	Assistant Manager: Assets Management	22-Aug-17
6. Incorrect classification of assets	Late finalization of the Fixed Asset Register Lack of sufficient time to review and scrutinize the WIP register and FAR before it was submitted for audit.	1.FAR to be finalized 10 days before the submission of the AFS. 2. The AFS to be reviewed thoroughly by Management and the Audit Committee	Assistant Manager: Assets Management	22-Aug-17
7. No supporting documents for additions to infrastructure	Late finalization of the Fixed Asset Register Management failed to file all supporting information to assets in systematically in order to have unlimited access.	1.FAR to be finalized 10 days before the submission of the AFS. 2. The AFS to be reviewed thoroughly by Management and the Audit Committee	Assistant Manager: Assets Management	22-Aug-17
8. Incorrect depreciation recorded for infrastructure assets	Lack of sufficient time to review and interrogate the asset register by Management before it was submitted for audit	Depreciation will be recorded as per the accounting policy used in preparation of the AFS	Assistant Manager: Assets Management	22-Aug-17

9. Journal provided not accurate.	Lack of sufficient time to review documents accompanying the FAR and the AFS	Journals provided will be accurate and will be having all the supporting documentations	Assistant Manager: Assets Management	22-Aug-17
10. Projects not included in the WIP register	Late finalization of the Fixed Asset Register Lack of sufficient time to review the WIP register before it was submitted for audit.	WIP Register will be updated on monthly bases	Assistant Manager: Assets Management	22-Aug-17
11. Addition in the WIP register do not agree to the AFS	Late finalization of the Fixed Asset Register Lack of sufficient time to review supporting documentation to the AFS	WIP Register Reconciliation to the AFS will be performed	Assistant Manager: Assets Management	22-Aug-17
12. GL balances do not agree to the AFS	Late finalization of the FAR	Reconciliations will be performed to ensure the GL balances agree to the AFS	CFO	22-Aug-17
1.2. EMPHASIS OF MATTERS				
13. Going Concern	Non Payment of municipal services	1. Revenue Enhancement Strategy 2. Credit control and Debt Collection Practices. 3. Data Cleansing.	CFO with the assistance of Management	31 January 2017 and ongoing
14. Material Losses	1. Shortage of bulk water meters at some of the reservoirs. 2. Water collected by private water tankers are not recorded. 3.	1. Make an assessment on the meters kept at stores. 2. Start a process of procuring the meters. 3. Recording of water collected by private water tankers	Manager: Technical Services & Assistant Manager: Water and Sanitation	31 January 2017 and ongoing

15. Material Impairments	5% Collection rate	1. Revenue Enhancement Strategy .2. Credit control and Debt Collection Practices. 3. Data Cleansing.	Assistant Revenue Manager: with the assistance of the MM	31 January 2017 and ongoing
1.3. COMPLIANCE MATTERS				
27. Non-compliance with Section 122 of the MFMA (i.e. AFS not prepared in all material respects in accordance with Sec 122 of the MFMA) (EX.27)	Late finalization of the Asset Register by the service provider appointed the National Treasury	1.FAR to be finalized 10 days before the submission of the AFS. 2. The AFS to be reviewed thoroughly by Management and submitted on time to the Internal Audit and Audit Committee	CFO, Manager: Technical Services, PMU Manager	22-Aug-17
28. Non-compliance with Section 17(a) and (c) of SCM Regulations (ie. Goods and services with value below R200 000 procured without price quotations)	Late submission of request by user departments and urgency on the requested goods and services	Procurement of goods and services with the value below R200 000 will be done in terms of section 17(a) and © of the SCM Regulations.	Assistant Manager: SCM	31 January 2017 and ongoing
29. Non-compliance with Section 19 (a) of SCM Regulations (ie. Competitive bidding was not followed for the appointment of the suppliers for the value of more than R200 000	Difficulty in getting responsive tenderers	Procurement of goods and services through the competitive bidding will be done in terms of the SCM Policy of Thembisile Hani Local Municipality and Section 19(a) of the SCM Regulation.	Assistant Manager: SCM	31 January 2017 and ongoing
30. Non-compliance with section 62(1)(d) of MFMA (ie.Effective system of internal control for assets (including assets register) is not in place)	Non compliance with section 62 (1)(d) of the MFMA	Develop system of internal control for assets and take them to the Internal Audit and Risk	Assistant Asset Manager:	31 January 2017 and ongoing

31. Non-compliance with Section 62(1)(d) of MFMA (i.e. Reasonable steps not taken to prevent Unauthorised, Irregular and Fruitless expenditure) Ex. 31, 32, 33	Under budgeting for non-cash items	1. A plan is in place to prevent to unauthorised, Irregular and Fruitless expenditure. 2. A contract register is in place and monitored regularly 3. Non-cash items to be well budgeted for and shortfalls to be catered on the adjustment budget	CFO	22-Aug-17
34. Non-compliance with Section 57 (2) (a) of MSA (i.e. A senior manager directly accountable to the Municipal Manager did not sign the performance agreement)	Lack of understanding on the Performance related activities	All senior managers directly accountable to the Municipal Manager have signed the performance agreements including the senior manager in question	MM	31-Dec-16
2. MATTERS AFFECTING THE MANAGEMENT REPORT				
PROCUREMENT AND CONTRACT MANAGEMENT				
16. Municipality procured goods using contract secured by Steve Tshwete which is invalid	Incorrect interpretation of Regulation 32 of the SCM Regulations	Procurement of Goods and services through regulation 32 will only be done through the correct and well interpreted prescripts of this regulation	Assistant Manager: SCM	31 January 2017 and ongoing
17. Bid awarded to supplier who did not meet all the criteria listed for the award.	Lack of review by the Adjudication Committee	There will be re calculations of the scores to be done by the Adjudication Committee.	Assistant Manager: SCM	31 January 2017 and ongoing
62. False declaration by the supplier	Lack of reviews	Declaration made by the suppliers are verified through the Cross Check system	Assistant Manager: SCM	31 January 2017 and ongoing
63. The suppliers did not submit valid original	Lack of reviews	All suppliers are checked whether they do submit original tax clearance certificates and those who fail to	Assistant Manager: SCM	31 January 2017 and ongoing

tax clearance certificate		submit are disqualified		ongoing
64. Incomplete disclosure to the annual financial statements for persons having the interest in the state	Lack of reviews	Declaration made by the suppliers are verified through the Cross Check system	Assistant Manager: SCM	31 January 2017 and ongoing
65. suppliers did not provide the declaration of interests	Lack of reviews	All suppliers are checked whether they do provide declaration of interests and those who fail to submit are disqualified	Assistant Manager: SCM	31 January 2017 and ongoing
66. Deviations not reported to the council and disclosed in the annual financial statements	Lack of reviews	All deviations for the financial year are filed and kept and deviation register is kept	Assistant Manager: SCM	31 January 2017 and ongoing
67. Municipality has not demonstrated the discounts and benefits of participating in the contracts secured by other state organs	Incorrect interpretation of Regulation 32 of the SCM Regulations	Procurement of Goods and services through regulation 32 will only be done through the correct and well interpreted prescripts of this regulation	Assistant Manager: SCM	31 January 2017 and ongoing
68. Attendance register not found to establish that the bids evaluation and adjudication committees were formed in terms of the requirements of the SCM regulations and policy	Safekeeping of records	The attendance registers of all committee meetings are kept	Assistant Manager: SCM	31 January 2017 and ongoing
69. Supplier did not submit a signed certifying that the bidder has no undisputed commitments for municipal services for which payment is overdue for more than 30 days.	Incorrect interpretation of the SCM Regulations	All bidders for the goods and services above R10 million will certify that the bidder has no undisputed commitments for municipal services for which payment is overdue for more than 30 days.	Assistant Manager: SCM	31 January 2017 and ongoing

INVENTORIES					
22. Listing (cashbook) - not agree to disclosure:	Late finalization of the AFS due to the late submission of FAR	Listing (Cashbook) will agree to disclosure	Assistant Assets	Manager:	22-Aug-17
23. Inventory not measured at the lower of cost or Net realizable value	Late finalization of the AFS due to the late submission of FAR	Inventories will be measured at the lower of cost or Net realization value	Assistant Assets	Manager:	22-Aug-17
24. Supporting information for journals:	Non attachment of supporting information on the journals	All supporting documents to the journals will be filed together with authorized journals	Assistant Assets	Manager:	31 January 2017 and ongoing
CONSUMER DEBDORS					
25. Consumer's details as per debtor's statements do not agree to the valuation roll.	Incorrect information captured in the financial system as opposed to the valuation roll compiled.	A data cleansing project has been developed in order to address the inconsistencies in the information contained in the billing system.	Assistant Revenue	Manager:	30-Jun-17
26. Water Debtors: Consumer's details as per debtor's statements do not agree to the valuation roll.	Incorrect information captured in the financial system as opposed to the valuation roll compiled.	A data cleansing project has been developed in order to address the inconsistencies in the information contained in the billing system.	Assistant Revenue	Manager:	30-Jun-17
27. Property Rates calculated in debtor's statements is incorrect.	Information not submitted on time	The Information as requested by the AG will be submitted within the stipulated time	Assistant Revenue	Manager:	31 August 20174 and ongoing
28. Traffic fines debtors not recorded in the	Inaccurate record keeping.	Ensure that all the traffic fines issued are recorded	Assistant	Manager:	Ongoing

debtors listing.			promptly as they occur.	Revenue	
29. Interest Charged on Debtors accounts not correct	Interest charged to accounts is calculated by the financial system (Munsoft)		Calculation done on a manual basis against the one done by the financial system will not be the same as the system picks up the service charges which attracts interest.	Assistant Revenue Manager:	31 January 2017 and ongoing
30. Interest not charged on outstanding debtor balances	The accounts affected by the initiative to put certain portion of the debt in abeyance.		All the accounts are now charging for interest.	Assistant Revenue Manager:	31 January 2017 and ongoing
31. Provision for bad debts (Traffic fines)	Incorrect calculation on traffic fines		The calculation was rectified and the AFS amended accordingly.	Assistant Revenue Manager:	31-Dec-16
32. Traffic fine debtors listing balance does not agree to the Trial balance	Incorrect calculation on traffic fines		The calculation was rectified and the AFS amended accordingly.	Assistant Revenue Manager:	22-Aug-17
33. Difference in provision for bad debts calculations	Incorrect calculation on traffic fines		The calculation was rectified and the AFS amended accordingly.	Assistant Revenue Manager:	31-Dec-16
38. Money deposited not allocated to relevant debtors account	Late allocation of the amounts paid by customers as a result of the challenges faced in the financial system.		The matter has now been rectified and prompt allocation or capturing of payments into the respective accounts.	Assistant Revenue Manager:	31 January 2017 and ongoing
46. Incorrect amount of rates and taxes billed for the property owner.	Duplication of accounts in the billing data		Performing of reconciliation to check the duplicated accounts and to delete accounts duplicated	Assistant Revenue Manager:	31-Mar-17

47. Account holder names are not the same between the valuation roll and the billing report.	Incorrect information captured in the financial system as opposed to the valuation roll compiled.	A data cleansing project has been developed in order to address the inconsistencies in the information contained in the billing system.	Assistant Revenue Manager:	30-Jun-17
48. Valuation Roll does not have part A and B as required by section 23 of Municipality Property Rates Act.	A separate in terms of Part B of the valuation has not been published in the same way with Part A.	The roll has been compiled in terms of those properties exempted.	Assistant Revenue Manager:	01-Jul-16
49. Valuation roll not traced on the official THLM website.	Late capturing of the valuation roll into the municipal website.	The roll has now been advertised in the web site.	Assistant Revenue Manager:	31-Dec-16
EMPLOYEE RELATED COSTS				
54. Incomplete leave report granted	Inability of the system to print the report	Consult the service provider to setup the report as required by Auditor General.	Assistant Manager: HR	31-May-17
55. Employee paid but no reporting for work	Awaiting pension approval to terminate due to ill health	Approval has been received and termination has been done on the system.	Assistant Manager: HR	13 December 2016.
57. Vetting on new appointments not done	Vetting was done telephonically.	Vetting is done prior each post could be filled.	Assistant Manager: HR	09 January 2017.
FINANCIAL STATEMENTS				
18. AFS - various incomplete disclosure notes	Late finalization of the FAR	Disclosure notes checklist will be formulated and all disclosure notes will be complete	CFO	22-Aug-17

19. Financial statement amount don't agree to the irregular expenditure register and prior year financial statements	Inaccuracy on the Irregular expenditure register	Irregular expenditure register will be updated quarterly	CFO	22-Aug-17
20. Completeness of Commitment register	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	The commitment register will be completed and signed off by the 22 August 2017	Assistant Assets Manager:	22-Aug-17
21. Contracts selected from the register not recorded in commitment register	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	The commitment register will be completed and signed off by the 22 August 2017	Assistant Assets Manager:	22-Aug-17
34. TB does not agree to AFS	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	The TB will be reconciled to agree to the AFS	CFO	22-Aug-17
35. Differences between amount on the financial statement and trial balance	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	The AFS amount will be reconciled to agree to the Trial Balance	CFO	22-Aug-17

37. Variances on the amounts disclosed	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	All checks and balances will be performed 10 days before the submission date	CFO	22-Aug-17
39. FAR schedule does not agree to the amount disclosed in the AFS.	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	The FAR schedule will be reconciled to agree to the amount disclosed in the AFS	Assistant Assets Manager:	22-Aug-17
40. Incorrect asset description in the FAR	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	Before the final FAR, all the asset description will be checked and corrected	Assistant Assets Manager:	22-Aug-17
41. Assets selected from the floor not included in the carrying amount of equipment	Lack of sufficient time to review and interrogate the Asset Register with other documents of the municipality before it was submitted for audit. Late finalization of the Asset Register	All assets on the floor will be included in the carrying amount of equipment	Assistant Assets Manager:	22-Aug-17
42. Conditional Grants – variances on amounts disclosed	Incorrect disclosure of the Conditional Grants	All the conditional Grants will be disclosed properly and reconciliations will be performed to correct any variance.	Assistant Budget and Reporting Manager:	22-Aug-17

43. Land Fill – useful life variances	Incorrect useful life recorded	Correct useful life on the landfill site will be recorded	CFO	22-Aug-17
44. Employee benefits - variances	Incorrect calculation of employee benefits	Employee benefits will be calculated and disclosed correctly	CFO	22-Aug-17
45. Bonus Provision	Incorrect opening balance used	Correct opening balance on the Bonus Provision will be used	Assistant Manager: Expenditure	22-Aug-17
50. Detailed salary report omitted	Challenges with VIP system	Engagement of the system administrators	Assistant Manager: Expenditure	31-May-17
52. Limitation of scope	Non availability of 1 personal file	All personal files will be checked	Assistant Manager: HR and AM: Expenditure	31 January 2017 and ongoing
56. Variances on the AFS disclosures	Incorrect mapping	Mapping will be corrected for all the votes	Assistant Manager: Expenditure	22-Aug-17
58. Incorrectly classified of Grants and subsidies paid	Incorrect disclosure of the Conditional Grants	All the conditional Grants will be disclosed properly and reconciliations will be performed to correct any variance.	CFO	22-Aug-17
60. Amount incorrectly classified to Vehicles	incorrect allocation of expenditure	Expenditure will be corrected allocated to the correct vote	Assistant Manager: Expenditure	22-Aug-17

61. Variances on prior year audited to comparatives per current financial statements	Late Finalization of the FAR	FAR will be finalized earlier this financial year and all the checks and balances will be done while we still have time	CFO	22-Aug-17
70. Material Misstatement identified on work performed by consultants	Late Finalization of the FAR	FAR will be finalized earlier this financial year and all the checks and balances will be done while we still have time	CFO	22-Aug-17
72. Overstatement of contingent liability	Incorrect inclusion of a resolved case	All resolved cases will be taken out of the contingent liabilities	CFO	22-Aug-17
74. The base used by management for going concern on note 39 is incorrect	The liabilities were mistakenly reported to be more than Assets	The base used for the going concern will be correct	CFO	22-Aug-17
75. Effect of the prior year uncorrected misstatements on the current year auditor's report	The non inclusion of the WIP assets amounting to more than R80million	1. The unbundling of all the assets not included on the FAR. 2. Balancing of WIP register to the commitment register. 3. Correction of the Depreciation. 4. Capitalization of completed assets to asset register	CFO	22 August 2017
CASH FLOW				
71. The Statement for Cash flow is misstated	Late finalization of the AFS due to the late submission of FAR	AFS will be prepared and finalized early this financial year	CFO	22-Aug-17
VAT				

36. VAT was incorrectly disclosed.	Incorrect disclosure of the VAT	VAT will be correctly disclosed	Assistant Manager: Budget and Reporting	22-Aug-17
PERFORMANCE MANAGEMENT				
51. The performance agreement of the MM didn't include general financial management	Performance agreements was compiled as per section 57 of MSA	To include the provisions of the MFMA	Assistant Manager: PMS	30-Jul-17
53. No Annual Performance Evaluations and no Performance Agreements for officials other than MM and sec 56 Managers	Work load due to lack of staff	Assign Interns to PMS unit to assist with the work load so that annual evaluations be conducted in time	Assistant Manager: PMS/Manager: Corporate	30-Jan-17
76. Target inconsistent with other indicators	Target was amended during revision of the SDBIP 2015/2016	To consider the due date for all projects before setting target for the spending of capital budget	Assistant Manager PMS/Management	30-Jun-16
77. Disagreement between reported actual performance and the supporting documents	The completion certificates includes 2015/2016 projects plus the outstanding of 2014/2015	Service Providers to separate the work done on the completion certificates as per the financial year	Assistant Manager PMS/Technical Manager/SDS Manager	30-Jun-17
78. Inconsistency between the actual performance and the target achieved	The actual performance state that 2 by-laws were monitored but no report was compiled to suffice as evidence	To report 0 on actual performance column if there is no evidence attached	Assistant Manager PMS	On quarterly basis until 30 June 2017

79. No supporting documents for the reported actual performance	The actual performance was stated on the quarterly report however AG requested report that shows individual household as per the house number	Management to provide evidence to PMS unit that shows individual household number	Assistant Manager PMS/Technical Manager	On quarterly basis until 30 June 2017
80. The actual reported performance not consistent with the target	The actual performance reported not correlate with the evidence submitted	Management to provide evidence to PMS unit as per the actual performance reported	Assistant Manager PMS/SDS Manager	On quarterly basis until 30 June 2017
81. Supporting documents were not provided for audit purposes	The actual performance was stated on the quarterly report however AG requested job card for individual household	Management to provide job cards to PMS unit as per the individual household number	Technical Manager	On quarterly basis until 30 June 2017
INTERNAL AUDIT				
82. Internal Audit recommendations not implemented by management	Lack of implementation of the Internal Audit recommendations	Weekly Management Meetings discuss the progress on the action plan	MM	Weekly
RISK MANAGEMENT				
1. Incomplete disclosure of note 38 risk management	Usual disclosure of risk management note	We will ensure that during 16/17 AFS Preparation the risk management note is disclosed accordingly	CFO and CRO	22-Aug-17
83. Internal controls environment - Risk Assessments	Over reliance on contractors not covered on the risk register	We will ensure that the risk relating to over reliance on contractors is covered under our risk register for	CRO	31-Mar-17

			2016/17.			
INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT)						
86. Insufficient Service level agreements	Lack of skills in contract management	All the SLAs will be drafted, signed and filed	Assistant Manager ICT	31-Mar-17		
87. Inadequate Antivirus on crucial server	Budget Constraints	Antivirus has been installed on crucial server	Assistant Manager ICT	31-Dec-16		