

WATERBERG DISTRICT MUNICIPALITY



DRAFT 2015/16 ANNUAL REPORT



Table of Contents

CHAPTER 1 –EXECUTIVE MAYOR FOREWORD AND EXECUTIVE SUMMARY.....	4
1.1. COMPONENT A – EXECUTIVE MAYOR’S FOREWORD.....	4
1.2. COMPONENT B- EXECUTIVE SUMMARY – MUNICIPAL MANAGER’S OVERVIEW	6
1.3. MUNICIPAL FUNCTION, POPULATION AND ENVIRONMENT OVERVIEW.....	7
2. CHAPTER 2	12
2.1 COMPONENT A-POLITICAL AND ADMINISTRATIVE GOVERNANCE	12
2.2 COMPONENT B-INTER-GOVERNMENTAL RELATIONS (IGR)	18
2.3 COMPONENT C-PUBLIC ACCOUNTABILITY AND PARTICIPATION	18
2.4 COMPONENT D- CORPORATIVE GOVERNANCE OVERVIEW	20
3. CHAPTER 3-BASIC SERVICES DELIVERY (PERFORMANCE REPORT)	22
3.1 COMPONENT A-BASIC SERVICE	22
3.2 COMPONENT B-TRANSPORT (INCLUDING VEHICLES LICENCING & PUBLIC BUS OPERATIONS	22
3.3 COMPONENT C-PLANNING AND DEVELOPMENT	23
3.4 COMPONENT D- MUNICIPAL SERVICES	27
3.5 COMPONENT E- ENVIRONMENTAL PROTECTION (MANAGEMENT).....	30
3.6 COMPONENT F- HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION.....	31
3.7 COMPONENT G-SECURITY AND SAFETY	33
3.8 COMPONENT H- SPORTS AND RECREATION.....	35
3.9 COMPONENT I- CORPORATE POLICY, OFFICES AND OTHER OFFICES	37
3.10 COMPONENT J- MISCELLANEOUS	48
3.11 COMPONENT K-ORGANISATIONAL PERFORMANCE SCORE-CARD	51
4. EXTERNAL SERVICE PROVIDERS.....	58
5. OTHER EXTERNAL SERVICE PROVIDERS (TOP TEN)	58
4 CHAPTER 4	60
4.1 COMPONENT A –INTRODUCTION TO THE MUNICIPAL PERSONNEL	60
4.2 COMPONENT B-MANAGING THE MUNICIPAL WORKFORCE	60
4.3 COMPONENT C-CAPACITATING THE MUNICIPAL WORKFORCE	63
4.1 COMPONENT D-MANAGING THE WORKFORCE EXPENDITURE.....	64
5. CHAPTER 5- STATEMENT OF FINANCIAL PERFORMANCE	66
6. CHAPTER 6-AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS.....	74
<i>AUDIT COMMITTEE ANNUAL REPORT 2015/16</i>	<i>86</i>
GLOSSARY	101
APPENDICES	103
APPENDICES	104
APPENDIX B – COMMITTEES & COMMITTEE PURPOSES	109

APPENDIX C– THIRD TIER ADMINISTRATIVE STRUCTURE.....	109
APPENDIX D– FUNCTIONS OF MUNICIPALITY/ENTITY.....	109
APPENDIX E–WARD REPORTING.....	111
APPENDIX F1- WARD INFORMATION.....	111
APPENDIX F2- BASIC SERVICE PROVISION.....	111
APPENDIX F3- TOP FOUR SERVICE DELIVERY PRIORITY IN A WARD	112
APPENDIX G- RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/16.....	112
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP.....	113
APPENDIX I –MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE	116
APPENDIX J- DISCLOSURE OF FINANCIAL INTEREST	120
APPENDIX K- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	123
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	123
APPENDIX K (ii) – REVENUE COLLECTION PERFORMANCE BY SOURCE.....	123
APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG.....	123
APPENDIX M- CAPITAL EXPENDITURE – NEW & UPGRADE/ RENEWAL PROGRAMMES	124
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME	124
APPENDIX M – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME	124
APPENDIX M (ii): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME	124
APPENDIX N –CAPITAL PROGRAMME BY PROJECT 2015/16	124
APPENDIX O - CAPITAL PROJECT BY WARD 2015/16.....	125
APPENDIX P – SERVICES CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	126
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	126
APPENDIX R –DECLARATION OF LOAN AND GRANTS MADE BY THE MUNICIPALITY	127
APPENDIX S – DECLARATION OF RETURN NOT MADE IN DUE TIME UNDER MFMA S71	127
APPENDIX T PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT	127
APPENDIX U - AUDITED ANNUAL FINANCIAL STATEMENTS 2015/2016	128

Chapter 1 –Executive Mayor Foreword and Executive Summary

1.1. Component A – Executive Mayor's Foreword

(a) Vision

“We are the energy hub and eco-tourism destination in Southern Africa”.

(b) Key Policy Developments

“No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government” RDP Document 1994.

The Integrated Development Plan (IDP) of Waterberg District Municipality was highly rated by the Office of the MEC: Corporate Governance, Housing and Traditional Affairs for the year under review. A credible IDP is linked to the Service Delivery and Budget Implementation Plan (SDBIP), Municipal Turnaround Strategy, Provincial Growth and Development Plan, Limpopo Development Plan, Outcome 9 and, National Development Plan.

The 2015/16 financial year marks yet another successful local government election which was held 3rd of August 2016. The elections ushered a new era in the district with the merger of Modimolle and Mookgophong local Municipalities. The Municipal Demarcation Board (MBD) has re-determined the municipal boundaries of Modimolle LM and Mookgophong LM by amalgamating their municipal areas, with a view to optimize financial viability. The District has played a major role in process of establishment of the new entity Lim 368, with a new amalgamated council of 28 councillors which was inaugurated on 24th of August 2016.

(c) Key Service Delivery Improvements

The core business of the Waterberg District Municipality is disaster management and fire-fighting services in the whole district area. Waterberg District Municipality was able to achieve unqualified opinion in 2015/16 financial year. The district-wide Performance Management System's intention is to support the local municipalities on the following areas:

- Alignment between the IDP and the SDBIP.
- Ensuring that 90% of the performance information is done internally.
- District Monitoring and Evaluation Forum
- Consistent assessment of the Senior Managers.
- Audit Committee reporting to Council on performance information.

Challenges:

- Need to apply the concept of organizational development more firmly.
- Cascading of Performance Management Systems to the non- Section 57 Managers.
- Struggling to implement forward planning.
- Inability to reward team performance.
- Grand dependency.

(d) Public Participation

The Integrated Development Plan Representative Forum is a tool for the observations on the progress made relating to the Key Performance Indicators (KPIs) and was also used to give feedback on the implementation of the IDP through the SDBIP. In the 4 district-wide forum meetings, performance of on **35** Key Performance Indicators across the 6 Key Performance Areas was reported with the emphasis on the Capital Expenditure trends, Municipal Infrastructure Grant in particular.

(e) Future Actions

The District is engaging labour through the Local Labour Forum with a view of ensuring that the performance management system is cascaded to the lower levels, looking on the grounds of the financial status of the municipality. The municipality intends to improve its co-ordination and supporting role to its six local municipalities on matters of performance by vigorously implementing forward planning in order to ensure that CAPEX is above 55% in all our institutions.

The review of the PMS framework has also prepared the way to develop an Integrated Reward Policy which will accommodate the cascading of the PMS. CoGHSTA is also assisting WDM to entrench the performance culture which will improve performance of the municipalities.

(f) Agreements / Partnerships

The district was the appointed as the implementing agent for MWIG and MIG projects for Modimolle, Mookgophong and Thabazimbi Local Municipalities. MWIG Projects were implemented successfully with the exception few Modimolle Projects. The Upgrading of Thabazimbi waterworks, MIG Project will be completed in September 2017.

(g) Conclusion

Waterberg District Municipality is determined to cascade its Performance Management System in order to regain the clean audit outcome. For financial year 2015/16 3 municipalities in the district had achieved unqualified audit opinion (Waterberg District, Bela-Bela, & Lephalale), Modimolle & Mookgophong achieved Qualified and Mogalakwena and Thabazimbi achieved disclaimers. All municipalities in the district had made commitment to improve on their current status as part of COGTA campaign to achieve clean audit.

The success of Waterberg District Municipality can only be proclaimed as such when all local municipalities are able to improve their performance which will lead to positive audit outcomes. This can be achieved by making sure that the existing IGR forums are functional.

S.M Mataboge
Executive Mayor

1.2. Component B- Executive summary – Municipal Manager’s Overview

Waterberg District Municipality (WDM) is determined to take performance to another level of excellence. The desire to achieve a clean audit from the current unqualified is the constant challenge and motivation which is experienced by every employee in the municipality.

The ability to have the Integrated Development Plan (IDP) for the past six years which is credible and its alignment with the Service Delivery Budget and Implementation Plan (SDBIP) motivate the institution to achieve the clean audit.

The most critical challenge for WDM is to reduce the high rate of the roll over projects. This need innovative ways of dealing challenges (forward planning). The Budget and Treasury Office has indicated excellence performance. Office of the Executive Mayor was outstanding in implementing its projects in the year under review. Despite these, the CAPEX of 45.93% with the variance of 63.87% is due to MIG funds which were transferred in March 2016.

The establishment of the Municipal Public Accounts Committee (MPAC) and the functioning of the Audit Committee have assisted the municipality to strengthen its oversight role. The District is co-sharing the Audit Committee with the Modimolle and Bela-Bela Municipalities.

Waterberg has been appointed as the implementing agent for MWIG and MIG projects for Modimolle, Mookgophong and Thabazimbi local municipalities. MWIG projects are at 85% complete with the few remaining projects in Modimolle to be completed. The Thabazimbi waste water treatment plant will be completed in September 2017 as per scope of work.

Having regard to the importance of community involvement in the implementation of the PMS, the organisation will continue to afford the community its role in ensuring that as the organisation we promote principles of public accountability and good governance. The cascading of the PMS and recorded improvement will improve the image of the municipality in the eyes of the different stakeholders. Most importantly, the municipality will continue to put premium value on public participation. The views of the stakeholders are and will always be important

The filling of the vacant post for senior managers will strengthen our call to improve the quality of lives of many people in our communities. Their experiences and skills will be demanded now and then. In our attempts to professionalise local government, it is expected of all employees to live up to the values, vision and mission of the municipality. It is our intention to recognise and reward performance management as a critical element in a modern municipality.

M.S Mabotja

Municipal Manager

1.3. Municipal Function, Population and Environment Overview

Waterberg District Municipality is a Category C municipality and it derives its powers and functions from chapter 7 of the Constitution and the Municipal Structures Act. In terms of its IDP, it performs the following functions: Air pollution, Firefighting services, Disaster Management, Municipal Abattoir, Municipal Health Services, Local Economic Development, Municipal Planning and Municipal Roads. It is critical for the organogram to be aligned to the IDP in order to allocate resources that can enable it to perform its legislative mandate.

1.3.1 Demographics

According to the Census 2011, the population growth rate was 1, 2% over a 10 year period.

	Male	Female	Total
Thabazimbi	42 773	29 072	71 845
Lephalale	56 704	48 259	104 964
Mookgophong	15 748	14 760	30 509
Modimolle	30 614	29 760	60 373
Bela-Bela	28 799	27 603	56 401
Mogalakwena	137 512	158 285	295 796
Waterberg	312 150	307 739	619 889

Figure1. Demographics: Census 2011

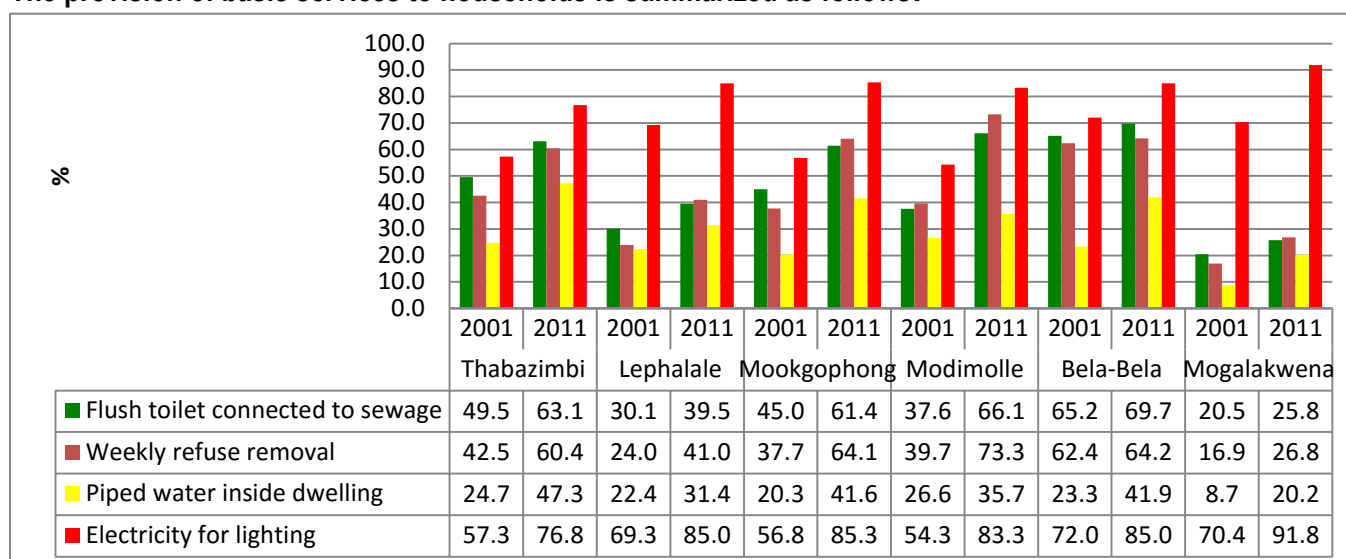
The district area is both a hot and semi-arid in nature. The rain falls mainly in January and December. There are a number of places of which its biodiversity is a source of tourism attraction. There are Municipalities which had been proclaimed by the Department of Environmental Affairs to be contributing to pollution within the as a result of mining activities which had raised some environmental concerns. The District Municipality has a mandate to deal with air quality issues. Such municipalities are as follows:

-Mogalakwena, Thabazimbi and Lephalale

1.3.2. Service Delivery Overview.

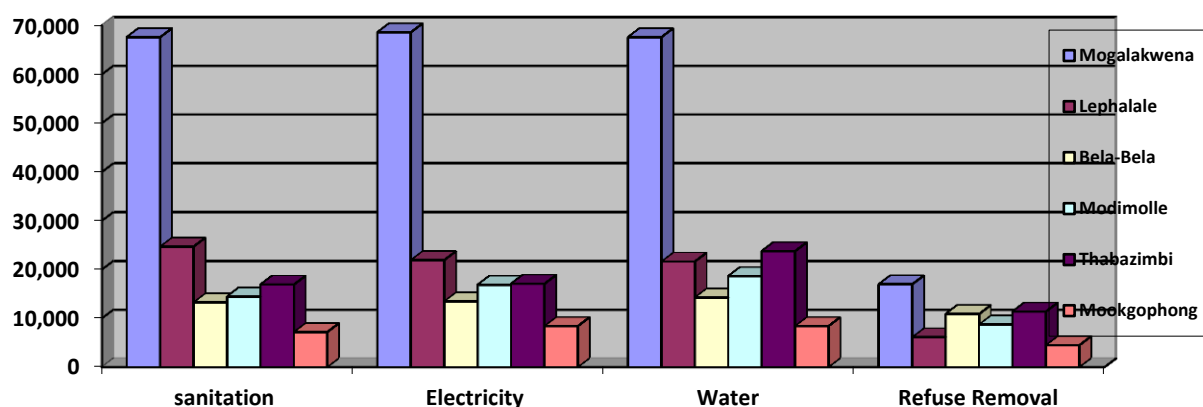
The service delivery of the municipality is mainly confined to the disaster management and firefighting services. Unlike the other district municipalities in the Province, Waterberg District Municipality it is not a water services authority. The 6 local municipalities are responsible for providing basic services.

The provision of basic services to households is summarized as follows:



Source : Stats SA 2011

Figure 2. Basic Services



1.3.3 Backlogs

Municipality	Sanitation	Electricity	Water	Refuse Removal
Bela Bela	7%	5%	0%	0%
Lephalale	10%	5%	6%	54.19%
Modimolle	11,50%	12.1%	4,7%	0%
Mogalakwena	42%	9%	8%	34.08%
Mookgophong	12.2%	0%	0,8%	0%
Thabazimbi	18%	24%	18%	0%
Waterberg	16.78%	9.18%	6.25%	14.71%

NB: The highest backlogs are recorded in Refuse Removal mainly because there are 198 villages in both Lephalale and Mogalakwena local municipalities.

1.3.4 Basic Services

Water

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	18068	18068(100%)	0%
Modimolle	19 809	18 874(95.30%)	4.7%
Mogalakwena	79 396	72 923(92%)	8%
Mookgophong	9 147	9147(100%)	0%
Lephalale	29 880	28 208(94%)	6%
Thabazimbi	25 000	20 577(82%)	18%
Waterberg	181 220	167 797	6.25%

Sanitation

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	18068	16 768(93%)	7%
Modimolle	19 809	17 525(88,49%)	11,50%
Mogalakwena	79 396	46 396(58%)	42%
Mookgophong	9 147	7 940(86,8%)	12.2%
Lephalale	29 800	26 805(90%)	10%
Thabazimbi	25 000	20 577(82%)	18%
Waterberg	181 220	136 011	16.78%

Electricity

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	18068	17 150(95%)	5%
Modimolle	19 809	17 150(85%)	12.1%
Mogalakwena	79 396	71 163(91%)	9%
Mookgophong	14 488	14 488(100%)	0%
Lephalale	29 800	28 515(95%)	5%
Thabazimbi	25 000	19 127(76%)	24%
Waterberg	181 220	167 593	9.18%

Refuse Removal

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	18068	18068	0%
Modimolle	19 809	19 809	0%
Mogalakwena	79 396	52 342	34.08%
Mookgophong	9 147	9 147	0%
Lephalale	29 800	13 652	54.19%
Thabazimbi	25 000	25 000	0%
Waterberg	181 220	138 018	14.71%

1.3.3 Financial Health Overview

WDM is grant dependent which makes it difficult to generate its own revenue. Its management of financial resources is showcased by its unqualified audit outcome.

The internal control systems are used diligently and financial policies are strictly followed.

Details	Original budget	Adjustments budget	Actual
Income :			
Grants	R146 318 000	R175 553 000	R 147 813 891
Investment Revenue	R 5 230 000	R 5 230 000	R10 385 263
Other	R24 000	R24 000	R128 651
Abattoir	R2 034 000	R1 734 000	R1 255 604
Subtotal	R153 669 000	R182 541 000	159 582 909
Less Expenditure :			
Employee Cost	R74 336 000	R75 197 000	R64 616 463
Remuneration of Councillors	R6 808 000	R6 808 000	R6 717 206
Depreciation and asset impairment	R7 423 000	R7 543 000	
Transfers & Grants (project expenditure)	R38 449 000	R96 829 000	R36 119 517
Other expenditure	R39 585 000	R39 585 000	R18 603 884
Subtotal	R166 601 000	R322 791 000	126 057 070
Surplus / (Deficit) for the year	(R12 932 000)	(R140 250 000)	(R33 525 839)

Operating ratios

The municipality has to devise ways and means of bringing the salaries and wages budget to the acceptable standard of 32 % failing which the core mandate of service delivery will be compromised seriously.

Actual Remuneration (Employee & Cllr) as a % of total operating expenditure	R 71 333 669
71 333 669/126 057 070	
=56%	
Actual Repairs and maintenance as a % of Property, Plant & Equipment	R 1 442 300
1 442 300/59 120 292	
=2%	
Actual Current ratio: Current Assets vs Current Liabilities	
232 739 054/98 741 405	
=235%	

1.3.4 Organizational Development (OD) Overview

Organizational development is beginning to grow in the municipal environment. As a result OD in its wide scope is still new and municipalities are beginning to appreciate its importance. As mentioned earlier, the PMS was not cascaded, a few People with Disabilities are appointed, and accessibility of the building, diversity management and important topics such as emotional intelligence, talent management and organizational culture still need some attention.

In general the municipality through its Human Resources Division is giving attention to issues of skills development through its Workplace Skills Plan whilst the Strategic Division is dealing with performance management issues. As a result the Senior Managers' performance reviews were conducted throughout the year.

1.3.5 Auditor General Report

WDM received unqualified report for 2015/16FY. Management also work as a team and issues of audit queries are addressed throughout the year with the support of the political leadership and it is also a permanent item on the agenda of the Chief Financial Officers' Forum and the Municipal Managers' Forum.

1.3.6 Statutory Annual Report Process

No	Activity	Time frame
1	Consideration of the 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 Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences(in- year financial reporting)	
3	Finalise 4 th Quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance Committee considers Draft Annual Report of Municipality	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated Annual Financial Statements and Performance Report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	November
9	Auditor General assesses draft Annual Report including consolidated Annual Statements and Performance data	
10	Municipalities receive and start to address the Auditor General's Comments	
11	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 representations are invited	
13	Oversight Committee/ Municipal Public Accounts Committee assesses Annual Report	March
14	Council adopts Oversight Report	
15	Oversight Report is made public	
16	Oversight Report is submitted to Provincial Departments	January
17	Commence of draft Budget/IDP finalization for next financial year: Annual Report and Oversight Report to be used as input	

2. Chapter 2

INTRODUCTION TO GOVERNANCE

Waterberg District Municipality is a category C municipality and has an Executive Mayoral System. The Council comprises of 35 councillors of which composed of directly and indirectly representatives and 3 traditional leaders. The majority of the councillors are from the ANC with DA and FF-PLUS and COPE as opposition parties.

Throughout the year, the Municipal Manager as the head administration played his role in terms of section 55 of the Municipal Systems Act. Amongst many of his roles, the Municipal Manager was able to advise the political structures and political office bearers of the municipality and also carried out the decisions of the political structures and the political office bearers of the municipality. It is the responsibility of the Municipal Manager to advise council to take decisions which are in line with legislation and policies of the municipality.

The IDP review was used as main public participation tool which implemented /used to allow the communities to participate in the affairs of the municipality. The IDP Representative Fora were convened by the Office of the Municipal Manager, chaired by the Executive Mayor. The Ordinary Council meetings and the Portfolio were organized throughout the year and were chaired by the Mayoral Committee Members and eventually reported to the Mayoral Committee and the Council.

During the year under review, the Municipal Manager had also convened the Municipal Managers Forum which is attended by the local municipality municipal managers from the 6 local municipalities, the WDM section57 managers and the senior managers of the 12 sector departments within the District. As a technical committee they prepare technical reports which are presented in the District Intergovernmental Relations Forum. This forum (District IGR Forum) also served as preparation for the Provincial IGR Forum whereby the Executive Mayors presented their District wide reports. EXCO Lekgotla decisions are discussed and implemented based on the reports. Discussions and resolutions presented at Exco Lekgotla are also presented at Min-Mec Meetings.

The implementation of the Performance Management System also serves as tool which is used to hold the Senior Managers accountable for their performances. The Municipal Manager himself assessed his Senior Managers and was assessed by the Executive Mayor. The IDP Representative Forum was used to report the performance of the council to the community. Over and above all these, the Executive Mayor had also convened izimbizos to report back to the community on all matters of service delivery. To improve on the effectiveness of the process, after every imbizo, the Office of Executive Mayor drafted a follow up programme on all the issues that were raised.

2.1 Component A-Political and Administrative Governance

2.1.1 POLITICAL GOVERNANCE

Section 52 (a) of the Municipal Finance Management Act provides that the Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality. The Mayoral Committee is also established in terms of Section 79 of the Municipal Structures Act. Section 80 committees namely Budget and Treasury Office, Transformation and Administration, Infrastructure Development, Planning and Economic Development, Special Projects and Community Committees are chaired by the Mayoral Committee members.

Municipal Public Accounts Committee comprising of 10 members was established to play an oversight role and work closely with the Performance Audit Committee and the Audit Committee.

2.1.2 COUNCIL

Council is the legislative arm of the Municipality and highest decision making body over issues such as approval of the Budget and the IDP. These are functions that cannot be delegated to any Committees of the Council.



2.1.3 POLITICAL MANAGEMENT TEAM



Executive Mayor
Cllr NR Mogotlane



Speaker
Cllr K.S. Lamola



Chief whip
NS Morumudi

2.1.4 Mayoral Committee & Section 80 Committees

At least 5 meetings convened by the Portfolio Committees were able to process items for the Mayoral Committee and Council at least on a quarterly basis.

COUNCIL COMMITTEES [SECTION 80]

BUDGET AND TREASURY	
Z. Mosam –chairperson	
P.M Mahlangu	
L.J Lebelo	
P.A Scruton	
A.R Ramogale	
TRANSFORMATION & ADMINISTRATION	
M.L Moremi (Chairperson)	
L.C Kganyago	
S.I Manala	
L.S. Manamela	
PLANNING & ECONOMIC DEVELOPMENT	
S.M Molekwa –Chariperson	
Kekana V.H	
M. E. Manganyi	
T.M Kekana	
INFRASTRUCTURE	
K.S Lamola –Chairperson	
R.N Monene	
N.G Mojela	
A. F. Basson	
L. N. Ngwetjana	
SOCIAL DEVELOPMENT	
B.S Mhlanga (Chairperson)	
D.P Motlouneng	
M.J. Selokela	
F. M. Masalesa	
M. J. Sekhu	
Kgoshigadi R.R Taueatsoala	
COMMUNITY SERVICES	
R. Z. Moeletsi(Chairperson)	
M. P. Nyama	
R. L. Mahlaela	
G.B. Koadi	
T.E Mokonyane	
SPECIAL PROJECTS	
M.M.A Mogotsi (Chairperson)	
N.W. Sethoga	
M. D. Phokela	
R.L.R Monoa	
Kgoshi L.V Kekana	

2.1.5. Section 79

Municipal Public Accounts Committee (MPAC)

MPAC comprising of 10 members was established in 2011 to play an overall oversight role and work closely with the Audit Committee and Performance Audit Committee. To formalize the role, Council had approved the terms of reference which are meant to guide the MPAC as to how it must do its business within the ambit of the law. The district-wide programme was developed to assist the local municipalities to perform their functions effectively within the correct timeframe. The committee met 4 times to deal with the business of the Annual Report.

Number	Position	Names	Political Party
1	Chairperson	Cllr LC Kganyago	African National Congress
2	Member	Cllr AF Basson	Democratic Alliance
3	Member	Cllr DP Motlohoneng	Congress of the People
4	Member	Cllr AR Ramogale	African National Congress
5	Member	Cllr PM Mahlangu – replaced Cllr MH Ledwaba	African National Congress
6	Member	Cllr NG Mojela	African National Congress
7	Member	Cllr MJ Selokela	African National Congress
8	Member	Cllr LJ Lebelo	African National Congress
9	Member	Cllr RLR Monoa	African National Congress
10	Member	Cllr R.N. Monene	African National Congress

2.1.6 POLITICAL DECISION MAKING

Council had met 9 times during the financial year under review and 5 special council meetings and 4 ordinary council meetings were convened. Out of 52 Council resolutions taken 21 were resolved and 31 on progresses by June 2015. It is normal procedure for Portfolio Committee meetings to be convened before Council and some special Council of the decisions was on the tabling of the IDP/Budget/SDBIP and the Adjustments budget.

2.2 ADMINISTRATIVE GOVERNANCE

In terms of section 54A of the Municipal Systems Amendment Act, the Municipal Manager is appointed as the Accounting Officer. Apart from being head of administration, he is also important link with the political office bearer.



M.S Mabotja
Municipal Manager

The Office of Municipal Manager comprises of 2 divisions namely: Strategic Planning & Support and Internal Audit.



G.Tloubatla

Chief Financial Officer:

Budget and Treasury Office comprises of 3 divisions namely: Supply Chain Management, Revenue Management, Reporting and Expenditure Management Division



RN Makgata

Manager: Infrastructure Development.

The department comprises of 2 Divisions namely: Capital Programme & Road Maintenance



L Sole

Manager: Planning & Economic Development:

The department comprises of 3 divisions namely: Development Planning, Economic Development and Abattoir.



M A MAMPA

Manager: Social Development and Community Development:

The department comprises of 2 divisions namely: Municipal Health Service and Disaster Management.



P Makondo

Manager Executive Support:

The department comprises of 3 Divisions namely: Intergovernmental Relations, Protocol & Communications, Community Participation and Council Support.



PF Nogilana-Raphela

Manager: Corporate Support & Shared Services:

The Department comprises of 3 divisions namely: Human Resources Management, Information and Communication Technology and Legal & Administration.

2.2 Component B-inter-Governmental Relations (IGR)

2.2.1 DISTRICT INTERGOVERNMENTAL RELATIONS FORUM

Waterberg District Municipality is the coordinator of the Intergovernmental Relations in the District. An IGR framework was adopted in 2007 - which framework was used to give effect to the objects of the Intergovernmental Relations Framework Act. The Technical Committee of Senior Managers, Sector Departments and Municipal Managers meet at least once a quarter and prepare reports which must be submitted to the Premier – Mayors Forum. Attendance by sector departments is a serious challenge and therefore hampers progress in terms of planning and service delivery.

2.2.2 PROVINCIAL INTERGOVERNMENTAL RELATIONS FORUM

The Province has initiated the Premier Mayors Forum which meets at least twice in a year. All 32 Mayors and the Municipal Managers and the Senior Managers meet and discuss issues of Governance. The Forum is attended by the District Mayors and the Municipal Managers. The Executive Mayor presents the technical report of the District before going to the Forum at the Province this forum.

2.2.3 NATIONAL INTERGOVERNMENTAL STRUCTURE

South Africa is a unitary state that is characterized by 3 spheres of government as enshrined in the Constitution of the Republic. All spheres are expected to cooperate with one another in the spirit of cooperative governance. These structures are helpful in that information and programmes are shared and alignment becomes the outcome of such efforts. All important decisions of the national intergovernmental forum should find expression in the lower IGR structures.

In general the Senior Managers at the District level need to appreciate the importance of IGR by attending themselves and avoid sending junior officials to IGR activities, which undermines the main thrust of such gatherings. The sector departments are expected to present reports to the Forum- which will show some of the IDP projects they are implementing, with regard to progress made.

2.3 Component C-Public Accountability and Participation

In terms of section 15 of the Municipal Structures Act requires a municipality must organize its administration to facilitate and promote a culture of accountability among its staff. Democratic governance entails reporting to the community and other stakeholders as to how the deployed resources have been used to deliver services.

2.3.1 PUBLIC MEETINGS

Nature and purpose of a meeting	Date of event/meeting	Number of participating Municipal Councillors	Number of Community members attending	Number of participating Municipal Administrators	Dates and manner of feedback given to Community
1 st IDP Representative Forum : Adoption	25/08/2015	21	15	34	25August 2015- Verbal

of Framework					
2 nd IDP Representative Forum: Analysis Phase	12/11/2015	23	34	39	12 November 2015- Verbal
Executive Mayors Imbizo & Batho Pele Day	31 May 2016	34	250	21	31May 2016- State of the District Address
3 rd IDP Representative Forum: Budget & IDP	05/04/2016	11	22	17	05 April 2016 - Verbal
4 th IDP Representative Forum	24/05/2016	31	28	22	2 May 2016- Verbal

2.3.2 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment criteria	Yes / No
Does the municipality have impact outcome, input and output indicators?	Yes
Does the IDP have priorities objectives, KPIs and 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 those of Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per 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 fourth quarter aligned submitted within stipulated time frames?	Yes

2.4 Component D- corporative Governance Overview

2.4.1 RISK MANAGEMENT

The Accounting Officer must ensure that the municipality has and maintains effective, efficient and transparent system of financial, risk management and internal control. Risk Management system is a valuable tool which increases an institution's prospects of success through minimizing negative outcomes and optimizing opportunities.

The municipality has reviewed its risk management policy in 2015 and the Audit Committee uses a risk based approach. A risk register entails a list of risks which senior managers should address. A risk management committee comprising of senior managers, divisional managers and an external chairperson is in place and has met consistently throughout the year.

Risk	Activity	Rating
1	Lack of integrated IT Systems	High
2	Loss of assets	High
3	Fraud and corruption	High
4	Appointment of incompetent officials	High
5	Poor capital spending	High

2.4.2 ANTI-CORRUPTION AND FRAUD

Anti-corruption and fraud strategy was developed, reviewed in 2015 and is being implemented. The vetting of SCM Officials goes a long way in reducing deviations which consequently helps the municipality to avoid irregular and unauthorized expenditures. No councilor is allowed to sit in the bid committees as prohibited by the Municipal Finance Management Act.

2.4.3 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy has been reviewed and is therefore in line with the MFMA Regulations. The Budget and Treasury Office is ensuring that the abovementioned be implemented without fear or favor. The 3 bid system is in place and the officials who sit in the committees have a fairly good understanding of the SCM processes and regulations. To reduce the possibility of fraud, SCM officials or members who sit in the tender committees have been vetted. The effective use of declaration of interest forms and regular reporting to Council on SCM Deviations is a necessary deterrent.

There are workshops conducted to ensure that officials involved on the Supply Chain matters are abreast with the new trends, developments and legislative environment guiding the Supply Chain Management Systems.

2.4.4 BY-LAWS

The procedure to develop a by-law is explicit in the Orders of Council document. The Corporate Services is best placed to lead a public participation process on the development of the by-laws. For the year under review no new by- law neither was develop nor was an old by-law reviewed. The delay of promulgation rests with COGHSTA and makes it difficult to enforce certain decisions- which decisions will lack legal force. Municipal Systems empowers

municipal councils to pass and implement by-laws in order to improve their service of the communities within their areas of jurisdiction.

Newly developed	Revised	Public conducted prior to the development of by-laws (Yes or No)	Participation of by-laws	Dates of Public Participation	By-laws Gazetted Yes or No	Date of Publication
None	None	None		None	None	None

2.4.5 MUNICIPAL WEBSITE

The Information and Communication Technology is responsible for hosting the website with the assistance of SITA. In terms of the Municipal Systems Act a number of important documents must be put on the website to ensure that the community and other stake-holders access such information. It is updated on a regular basis.

Documents published on the municipal website	Yes or No	Date of publication
Current annual and adjustments budget and all budget related documents	Yes	Current annual April 2015 Adjustment Budget March 2016
All current budget related policies	Yes	June 2015
2015/16 Annual Report	No	Not yet
The 2015/16 Annual Report published or to be published	No	Not yet
All current performance agreements in terms of section 57(1) (b) and resultant scorecards	Yes	2015/16 July 2015 2015/16 July 2015
All service delivery agreements of 2015/16	Yes	July 2015
All long term borrowing contracts	No	N/A
All quarterly reports tabled to Council All supply chain management contracts above a certain value	Yes	October 2015, January 2016 & April 2016 July 2016
Public Private Partnerships	No	N/A
Information statement listing all the assets over a prescribed value that have been disposed	No	N/A
Contracts to which subsection of 33 applies	No	N/A

2.4.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Waterberg District Municipality does not have a public satisfaction survey mechanism which can be used to assess the attitude or perceptions of the community on the services it renders. This lack of mechanism makes it to be reactive and to rely too much on the Presidential and Premier hotlines. The IGR and Protocol Unit Division with the assistance of Strategic Support and Planning Unit is responsible for such matters.

Satisfaction Surveys undertaken in 2015/16

Subject matter of survey	Survey method	Survey date	Number of people included in survey	Survey result indicating satisfaction or better %
Overall satisfaction with				
(a) Municipality	None	NA	NA	NA

3. Chapter 3-Basic Services Delivery (Performance Report)

3.1 Component A-Basic Service

3.1.1 Water Provision

Waterberg District Municipality unlike the other district municipalities in the Province does not render any basic services. As a result of its lack of powers and function on these services, the role of the district municipality has been reduced to coordination of such services as water, electricity, sanitation and free basic services. Sporadically it is also assisting few local municipalities in implementing basic services projects when finances permit.

3.1.3 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL

Waterberg District Municipality does not perform the function.

3.1.4 ELECTRICITY

Waterberg District Municipality does not perform the function.

3.1.5 HOUSING

Waterberg District Municipality does not perform the function.

3.1.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Since Waterberg District Municipality does not have to the powers to perform basic services, it its local municipalities that are rendering such services. According to 2012/13 District IDP, the locals provided indigents with free basic water and electricity services.

3.2 Component B-Transport (including vehicles licencing & Public Bus Operations

Waterberg District Municipality has adopted an Integrated Transport Plan in 2007 and was reviewed in 2015. The powers and functions does not include licensing and public bus operation but gives direction regard integrated transport planning and the influence of infrastructure on economic development in particular and development in general. The process of finalising Road classification would go a long way in unlocking the potential of the district in sourcing extra funds to improve its road infrastructure.

3.2.1 GRAVEL ROAD INFRASTRUCTURE

Employees: Road Services					
Job Level	2015/16				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0,69	34.2
4 - 6	1	1	1	0	0
7 - 9	1	1	1	0	0
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	4	4	4	0,69	34.2

Capital Expenditure 2015/16: Road Services					
					R' 000
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	No roads projects for 15/16	-	-	-	-

3.2.2 DEVELOPMENT OF MUNICIPAL ROADS

The District roads were re-classified to be provincial roads by the MEC through provincial gazette.

3.3 Component C-Planning and Development

Lack of funds contributes to the fact that most of the SDF projects could not be initiated. In assisting the local municipalities to review their Central Business Districts, it cannot force them to implement them in their Integrated Development Plan. In general investment in Infrastructure development and dismantling of racial settlements are persistent. This poor funding also impacts on the local economic development. There are few resources really to commit to achieving the economic indicators relevant to the economy of the district.

3.3.1 PLANNING

The local municipalities are responsible for the implementation of their Land Use Management schemes.

Service Objectives	Outline Service Targets	2014/15		2015/16
		Target	Actual	
(i)	(ii)			
Determine planning application within a reasonable timescale	Approval or rejection of all build environment applications within a x weeks	Determination within x weeks	Determination within x weeks	Determination within 12 weeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned

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

Details	2015/16			
	Actual	Original Budget	Adjustment Budget	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-
Expenditure:				
Employees	434 573.00	434 573.00	434 573.00	0%
Repairs and Maintenance	-	-	-	-
Other	2 900.00	2 919	2 919	0.03%
Total Operational Expenditure	437 473.00	437 473.00	437 473.00	0%
Net Operational (Service) Expenditure	(434 573.00)	(434 573.00)	(434 573.00)	

Capital Projects				
	Budget	Adjustment Budget	Actual Expenditure	Total Project Value
Total All	No project	-	-	
Project A	-	-	-	
Project B	-	-	-	-
Project C	-	-	-	-
Project D	-	-	-	-

3.3.2 LOCAL ECONOMIC DEVELOPMENT

Employees: Economic Development					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	2	2	2	0	0
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	3	3	3	0	0
Financial Performance 2015/16: Economic Development					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	
Expenditure:					
Employees	1 042 078.28	3 315 572.00	3 144 000.00	3 130 762.33	0.43%
Repairs and Maintenance	-	-	-	-	
Other	12 155.87	2 919.00	2 900.00	600.00	20.68%
Total Operational Expenditure	1 054 570.19	3 318 491.00	3 146 900.00	3 131 362.33	0.50%
Net Operational (Service) Expenditure	(1 054 570.19)	(3 315 572.00)	(3 144 000.00)	(3 130 762.33)	(3 315 572.00)

Jobs Created during 2015/16 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives - Yes Project - Abattoir	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)	3060	-	-	CWP Project reports
Initiative A (15/16)	3060	-	-	Project report
Initiative B (15/16)	-	-	-	-
Initiative C (15/16)	-	-	-	-
Job creation through EPWP* projects				
Year	EPWP Projects	Jobs created through EPWP projects		
	No.	No.		
2014/15	Mogalakwena VIP	24		EPWP report
2015/16	Mogalakwena VIP	350		EPWP Report

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objectives; To ensure optimal utilisation of and adherence to space economy							
Job creation	Number of jobs created to LED Initiatives	40	40	30	255	50	3060

3.4 Component D- Municipal Services

Waterberg District Municipality does not have powers and functions to render services such as libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

3.4.1 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

WDM does not receive MIG from the National Treasury since it does not provide basic service. In the future it might be necessary to apply for the grant in order to deal with the road infrastructure within the district area. Whilst coordinating various meetings and receiving reports it became the expenditure of MIG by the local municipalities stood at 56%. WDM was appointed implementing agent to upgrade the Thabazimbi waste water treatment plant.

Municipal Infrastructure Grant (MIG)* Expenditure 2015/16 on Service backlogs						R' 000
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-
Infrastructure – Electricity						
<i>Generation</i>	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-
Infrastructure – Water						
<i>Dams & Reservoirs</i>	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-
Infrastructure – Sanitation						
<i>Reticulation</i>	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-
Infrastructure – Other						
<i>Waste Management</i>	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-
Other Specify:	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-
*						

Employees: Local Economic Development Services					
Job Level	2015/16				
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	%	
0 - 3	1	1	1	0	
4 - 6	3	2	2	0	
7 - 9	-	-	-	-	
10 - 12	-	-	-	-	
13 - 15	-	-	-	-	
16 - 18	-	-	-	-	
19 - 20	-	-	-	-	
Total	4	3	3	0	
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 refer to table A3 info will be on TB (trial balance) all vote which start with 16 are repairs & maintenance					
Financial Performance 2015/16: Local Economic Development Services					
R'000					
	Actual	Original budget	Adjustment budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	1 042 078.28	3 315 572.00	3 144 000.00	3 130 762.33	0.43%
Repairs and Maintenance	-	-	-	-	
Other	12 155.87	2 919.00	2 900.00	600.00	20.68%
Total Operational Expenditure	1 054 570.19	3 318 491.00	3 146 900.00	3 131 362.33	0.50%
Net Operational (Service) Expenditure	(1 054 570.19)	(3 315 572.00)	(3 144 000.00)	(3 130 762.33)	
Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Local Economic Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
Service Objective: To ensure optimal utilisation and adherence to space economy							
% of functional CTAS		100%	90%	100%	90%	100%	90%
# of publications		3	1	2	1	1	1
# of jobs created by LED		100	120	40	111	40	3060
# of cooperatives supported		10	5	10	15	10	56

Employees: Local Economic Development					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	-	-
4 - 6	2	2	2	-	-
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	3	3	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.					
T3.56.4					

Financial Performance: Local Economic Development					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	
Expenditure:					
Employees	1 042 078 .28	3 315 572.00	3 144 000.00	3 130 762.33	0.43%
Repairs and Maintenance	336.04	-	-	-	
Other	12 155.87	2 919.00	2 900.00	600.00	20.68%
Total Operational Expenditure	1 054 570.19	3 318 491.00	3 146 900.00	3 131 362.33	0.50%
Net Operational (Service) Expenditure	(1 054 570.19)	(3 315 572.00)	(3 144 000.00)	(3 130 762.33)	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Local Economic Development					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5 768 070	6 377 946	4 099 791	28.93%	
Project A	3 268 070	3 268 070	3 164 921	3.16%	-
Project B	2 000 000	2 609 876	877 784	56.12%	-
Project C	500 000	500 000	57 086	88.59%	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

3.5 Component E- Environmental Protection (Management)

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
Service Objective : To preserve and protect natural resources and promote public health							
# of health and hygiene awareness campaign conducted		152	78	152	489	40	46
% of funeral undertakers complying to standards		90%	85%	-	-	-	-
# of listed activities in terms of AQA		20	10	20	36	20	21
# of ambient air quality report submitted		0	10	12	79	12	9
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.							

Environmental Protection					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	-
4 - 6	1	2	2	0	100%
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	2	3	3	0	
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.					

Financial Performance 2014/15: Environmental Protection					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	R363 756	434 573.00	434 573.00	434 573.00	0%
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	R363 756	434 573.00	434 573.00	434 573.00	0%
Net Operational (Service) Expenditure	R363 756	434 573.00	434 573.00	434 573.00	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2015/16: Environmental Protection					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

3.6 Component F- Health Inspection, Food and Abattoir Licensing and Inspection

Health Inspection, Food and Abattoir Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective : To preserve and protect natural resources and promote public health							
% of water samples collected and analysed		100%	100%	100%	94.11% 16/17	100%	75% 16/12
% of food samples collected and analysed		100%	100%	-	-	-	-
# of permitted landfill sites monitored		8	11	8	54	8	50
% of food outlets issued with certificate of compliance		100%	100%	100%	100% 74/74	100%	100% 132/132

Employees: Health inspection, food and abattoir licensing and inspection					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	-	-
4 – 6	7	6	7	1	100
7 – 9	24	23	24	1	100
10 – 12	-	-	-	-	-
13 – 15	-	-	-	-	-
16 – 18	-	-	-	-	-
19 – 20	-	-	-	-	-
Total	32	30	32	2	200
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.					

T3.56.4

Financial Performance 2015/16: Health inspection, food and abattoir licensing and inspection					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	7 962 002.38	1 701 323	1 756 300	1 730 487.13	101.70%
Repairs and Maintenance	-	-	-	-	
Other	-	-	-	-	
Total Operational Expenditure	7 962 002.38	1 701 323	1 701 323	1 701 323	101.70%
Net Operational (Service) Expenditure	(7 962 002.38)	(1 701 323)	(1 701 323)	(1 701 323)	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Health inspection, food and abattoir licensing and inspection					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

3.7 Component G-Security and Safety

Waterberg does not perform the function of safety and security.

FIRE FIGHTING

Fire fighting Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
<i>Service Indicators</i>							
(i)	(ii)						
Service Objective: To coordinate and monitor infrastructure development for provision and access to services.							
Number of firefighting reports submitted by local municipalities	-	24	20	24	21	24	22
% of building plans approved	-	100%	80%	100%	84% 106/126	100%	100% 32/32
% of transport permits issued by local municipalities	-	100%	100%	-	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators' Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Fire-fighting					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	4	4	-	0	0
7 - 9	1	1	-	1	33%
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	5	5	-	-	-
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. T3.56.4					

Financial Performance 2015/16: Fire-fighting					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	3 099 511.19	3 522 312	3 491 300	3 453 071	1.97%
Repairs and Maintenance	24 310.70	52 569	52 600	26 149.57	50.26%
Other	-	-	-	-	-
Total	3 123 821.89	3 574 881	3 543 900	3 479 220.57	

N.B Same as Disaster management.

Capital Expenditure 2015/16: Fire-fighting					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects for 2015/16				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Disaster Management

Disaster Management objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective: To coordinate and monitor for provision and access to services							
# of Disaster Management advisory forum meetings held	-	4	1	4	5	4	4
# of Disaster Management Annual Report submitted	-	1	-	1	1	1	1
% of transport permits issued by local municipalities		100%	79%	100%	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators' Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Disaster Management					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	2	2	2	-	-
7 - 9	11	11	11	-	-
10 - 12	-	-	-	-	-
13 - 15					
16 - 18	-		-	-	-
19 - 20					
Total	13	13	13	-	-

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.

T3.56.4

Financial Performance 2015/16: Disaster Management					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)		-	-		-
Expenditure:					
Employees	3 099 511.19	3 522 312	3 491 300	3 453 071	1.97%
Repairs and Maintenance	24 310.70	52 569	52 600	26 149.57	50.26%
Other	346.93	-	-	-	-
Total Operational Expenditure	3 124 168.82	3 574 881	3 543 900	3 479 220.57	
Net Operational (Service) Expenditure	-	-	-		-
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Disaster Management					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

3.8 Component H- Sports and Recreation

Sport and Recreation objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective: To empower the community and instil a sense of ownership for development.							
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators' Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Sports and Recreation					
Job Level	2015/16				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	1	1	1	0	0
7 - 9					
10 - 12	-	-	-	-	-
13 - 15					
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	1	1	1	0	0
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. T3.56.4					

Financial Performance 2015/16: Sports and Recreation					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-		-
Expenditure:					
Employees	295 548.00	316 236.00	316 236.00	316 236.00	100%
Repairs and Maintenance	-				-
Other	-				-
Total Operational Expenditure	295 548.00	316 236.00	316 236.00	316 236.00	100%
Net Operational (Service) Expenditure	(295 548.00)	(316 236.00)	(316 236.00)	(316 236.00)	-
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Sports and Recreation					
					R' 000
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	120 000	120 000	139 788	(16.49%)	
Project A	110 000	110 000	104 700	4.82%	-
Project B	10 000	10 000	35 088	(28.49%)	-
Project C	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

3.9 Component I- Corporate Policy, Offices and Other Offices

The Executive and Council objectives taken from IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
<i>Service Indicators</i>							
(i)	(ii)						
Service Objective : To develop and implement integrated management and governance systems							
# of Council meetings held		4	4	4	6	4	7
% of Councils resolutions implemented		90%	92%	95%	78%	100%	91% 71/78
# of MPAC meetings held		4	3	4	4	4	4
# of IDP Representative Forum meetings held		4	4	4	4	4	4

Employees: Executive Support					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	3	1	0
4 - 6	5	5	1	4	0
7 - 9	2	2	0	2	0
10 - 12	2	2	1	1	0
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	12	13	5	8	100

Financial Performance 2015/16: Executive Support					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	4 929 794.17	5 270 992	5 271 000	5 174 900.67	1.83%
Repairs and Maintenance	30 389.59	70 500	70 500	32 686.96	53.64%
Other	1 764 222.14	1 902 800	1 902 800	1 883 161	1.04%
Total Operational Expenditure	6 724 405.90	7 244 292	7 244 300	7 090 748.63	18.83%
Net Operational (Service) Expenditure	(6 724 405.90)	(5 341 492)	(5 341 500)	(5 207 587.63)	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Executive Support					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 351 250	1 351 250	1 294 802	8.08%	
Project A	1 021 250	1 021 250	1 002 991	1.79%	--
Project B	170 000	170 000	131 811	22.47%	-
Project C	160 000	160 000	160 000	0%	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Financial Services

Financial Service objectives taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective: To effectively manage finances and improve sustainability							
% of cost coverage	-	100%	268%	100%	166%	100%	120%
% of Capital budget	-	10%	-	10%	10%	10%	28%
% of orders issued within 10 working days of receipt of requisition		100%	150%	100%	100%	100%	100%
# of MFMA S71 reports submitted on time		12	12	12	12	12	12

Employees: Financial Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	0	0	0
4 - 6	2	2	2	0	0
7 - 9	4	5	4	1	100
10 - 12	5	5	0	0	0
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	15	16	15	-	-
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. T3.56.4					

Financial Performance 2015/16: Financial Services					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	99 036 000	111 232 000	111 232 000	111 232 000	100%
Expenditure:					
Employees	4 965 444.24	5 600 100	5 600 100	5 172 772	7.64%
Repairs and Maintenance	33 427.59	69 400	69 400	32 686.96	52.91%
Other	97 370.04	110 000	110 000	89 255.87	18.86%
Total Operational Expenditure	5 096 241.87	5 779 500	5 779 500	5 294 714.83	26.47%
Net Operational (Service) Expenditure	-	-	-		-
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Financial Services					
					R' 000
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 450 000	1 450 000	1 282 519	11.56%	
Project A	1 450 000	1 450 000	1 282 519	11.56%	--
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

HUMAN RESOURCE SERVICES

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service	2012/13		2013/14		2014/15		2015/16	
	Targets								
Service Indicators		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Objective : To retain, attract the best human capital									
% of women employed by the municipality against total staff		50%	48%	50%	54%	50%	56%	50%	55%
# of LLF meetings held		4	3	4	4	4	8	4	9
# of HR policies reviewed		2	2	2	2	2	22	2	10
% of injuries on duty attended within 5 days		100%	100%	100%	100%	100%	0%	100%	100% 7/7

Employees: Human Resource Services					
Job Level	2015/6				
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	%	
0 - 3	1	1	0	0%	
4 - 6	3	3	0	0%	
7 - 9	-	-	-	-	
10 - 12	-	-	-	-	
13 - 15	-	-	-	-	
16 - 18	-	-	-	-	
19 - 20	-	-	-	-	
Total	4	4	0	0%	
Financial Performance 2014/15: Human Resource Services					
R'000					
Details	2015/16				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)	-	-	-	-	
Expenditure:					
Employees	6 375 700	6 375 700	6 530 092	(2.42%)	
Repairs and Maintenance	81 400	81 400	39 224.36	51.82%	
Other	8 200	8 200	4 267.66	47.96%	
Total Operational Expenditure	6 465 300	6 465 300	6 573 584.02	(1.67%)	
Net Operational (Service) Expenditure	(6 457 100)	(6 457 100)	(6 569 316.36)		
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
Capital Expenditure 2015/16: Human Resource Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	-	-
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Employees: Human Resource Services						
Job Level	2015/16					
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
	No.	No.	No.	%		
0 - 3	1	1	0	0%		
4 - 6	3	3	0	0%		
7 - 9	-	-	-	-		
10 - 12	-	-	-	-		
13 - 15	-	-	-	-		
16 - 18	-	-	-	-		
19 - 20	-	-	-	-		
Total	4	4	0	0%		
Financial Performance 2015/16: Human Resource Services						
R'000						
Details		2015/16				
		Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)		-	-	-	-	
Expenditure:						
Employees		6 375 700	6 375 700	6 530 092	(2.42%)	
Repairs and Maintenance		81 400	81 400	39 224.36	51.82%	
Other		8 200	8 200	4 267.66	47.96%	
Total Operational Expenditure		6 465 300	6 465 300	6 573 584.02	(1.67%)	
Net Operational (Service) Expenditure		(6 457 100)	(6 457 100)	(6 569 316.36)		
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
Capital Expenditure 2015/16: Human Resource Services						
R' 000						
Capital Projects		2015/16				
		Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All		-	-	-	-	-
Project A		-	-	-	-	-
Project B		-	-	-	-	-
Project C		-	-	-	-	-
Project D		-	-	-	-	-

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The role of technology in improving the lives of all people has been confirmed by the NPD where it is recognised as one of the drivers of change. From the strategic session held in March 2013, it became very clear that ICT should grow to become one of the strategic departments on its own in the future. When ICTD is used correctly it can also assist to render more services, empower communities and reduce costs.

ICT Services Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
Service Indicators		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective: To develop and implement integrated management and governance system							
# of District ICT forum meetings held		4	4	4	4	4	4
% of uptime of key systems		95%	95%	95%	95%	95%	99.98%
% of developed systems assessed		100%	100%	100%	100%	100%	100%
% of EHP ICT problems reported and resolved		100%	100%	100%	100%	100%	100%

Employees: ICT Services				
Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	-	-	-	-
4 - 6	2	2	0	0%
7 - 9	1	1	0	0
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	3	3	0	0%
R'000				
Details	2015/16			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-
Expenditure:				
Employees	6 375 700	6 375 700	6 530 092	(2.42%)

Repairs and Maintenance	81 400	81 400	39 224.36	51.82%
Other	8 200	8 200	4 267.66	47.96%
Total Operational Expenditure	6 465 300	6 465 300	6 573 584.02	(1.67%)
Net Operational (Service) Expenditure	(6 457 100)	(6 457 100)	(6 569 316.36)	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.
An ICT service is subdivision of the Corporate support and shared services.

Capital Expenditure 2015/16: ICT Services

R' 000

Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250 000	296 000	295 274	0.25%	-
Project A	250 000	296 000	295 274	0.25	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Employees: ICT Services

Job Level	2015/16				
	Posts		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	%
0 - 3	-		-	-	-
4 - 6		2	2	0	0%
7 - 9		1	1	0	0
10 - 12		-	-	-	-
13 - 15		-	-	-	-
16 - 18		-	-	-	-
19 - 20		-	-	-	-
Total		3	3	0	0%

Financial Performance 2015/16: ICT Services

R'000

Details	2015/16			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-
Expenditure:				

Employees	6 375 700	6 375 700	6 530 092	(2.42%)
Repairs and Maintenance	81 400	81 400	39 224.36	51.82%
Other	8 200	8 200	4 267.66	47.96%
Total Operational Expenditure	6 465 300	6 465 300	6 573 584.02	(1.67%)
Net Operational (Service) Expenditure	(6 457 100)	(6 457 100)	(6 569 316.36)	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2015/16: ICT Services

R' 000

Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250 000	296 000	295 274	0.25%	-
Project A	250 000	296 000	295 274	0.25	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

The division of ICT with its lean staff is doing fairly well to provide support to all other departments. The maintenance of ICT structure is mainly performed by SITA and the best part of the year, the municipality did not experience any serious downtime.

PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

A GRAP compliance asset register was updated by the Budget and Treasury Office whilst the Corporate Services Department was responsible for its control.

Property ,legal, risk management and procurement Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual	Target	Actual	Target	Actual
(i)	(ii)						
Service Objective : To attract ,develop and retain best human capital and to coordinate governance systems?							
# of legal opinions developed internally		30%	0%	30%	0%	30%	15%
% of corruption cases reported to SAPS		100%	0%	100%	0%	100%	0%
% of projects specifications ready before end of financial year		100%	20%	100%	40%	100%	50%
% of risks addressed		100%	60%	100%	73%	100%	
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *Current Year' refers to the targets set in the 2015/16 Budget/IDP round. **Following Year' refers to the targets set in the 2015/16 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.							

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	2015/16				
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	%	
0 - 3	1	1	0	0	
4 - 6	1	1	0	0	
7 - 9	-	-	-	-	
10 - 12	-	-	-	-	
13 - 15	-	-	-	-	
16 - 18	-	-	-	-	
19 - 20	-	-	-	-	
Total	2	2	0	-	
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.					
Financial Performance 2015/16: Property; Legal; Risk Management; and Procurement Services					
R'000					
Details		2015/16			
	2015/16	Original	Adjustment	Actual	Variance
Total Operational Revenue (excluding tariffs)		-	-	-	
Expenditure:					
Employees		6 375 700	6 375 700	6 530 092	(2.42%)
Repairs and Maintenance		81 400	81 400	39 224.36	51.82%
Other		8 200	8 200	4 267.66	47.96%
Total Operational Expenditure		6 465 300	6 465 300	6 573 584.02	(1.67%)
Net Operational (Service) Expenditure		(6 457 100)	(6 457 100)	(6 569 316.36)	
Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. A legal service is division in the Corporate support and shared services.					
Capital Expenditure 2015/16: Property; Legal; Risk Management; and Procurement Services					
R' 000					
Capital Projects	2015/16				

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Employees: Property; Legal; Risk Management; and Procurement Services

Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	-	0	0
4 - 6	1	-	0	0
7 - 9	-	-	-	-
10 - 12	-	-	-	-
13 - 15	-	-	-	-
16 - 18	-	-	-	-
19 - 20	-	-	-	-
Total	2	0	0	-

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.

Financial Performance 2015/16: Property; Legal; Risk Management; and Procurement Services

R'000

Details	2015/16				
	2014/15	Original	Adjustment	Actual	Variance
Total Operational Revenue (excluding tariffs)		-	-	-	
Expenditure:					
Employees	5 920 666	6 375 700	6 375 700	6 530 092	(2.42%)
Repairs and Maintenance	76 204	81 400	81 400	39 224.36	51.82%
Other	7 799	8 200	8 200	4 267.66	47.96%
Total Operational Expenditure	6 004 667	6 465 300	6 465 300	6 573 584.02	(1.67%)
Net Operational (Service) Expenditure	(5 996 870)	(6 457 100)	(6 457 100)	(6 569 316.36)	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Capital Expenditure 2015/16: Property; Legal; Risk Management; and Procurement Services

R' 000

Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Total Project Value

				budget	
Total All	No projects	-	-	-	-
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

3.10 Component J- Miscellaneous

Internal Audit Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16		%
		Target	Actual	Target	Actual	Target	Actual	
Service Indicators								
(i)	(ii)							
Service Objective: To develop and implement integrated management and governance systems								
% of AG queries resolved		100%	100% 25/25	100%	100% 26/26	100%		
# of Audit Committee meetings		4	4	4	3	4	5	
% of Internal audit queries resolved		100%	70%	100%	75%	100%	85%	
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators' Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.								

Employees: Internal Audit					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	1	1	0
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	3	3	3	0	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	6	6	5	1	-
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. T3.56.4					

Financial Performance 2015/16: Internal Audit					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	3 934 756.71	4 292 100	4 292 100	3 729 019.08	13.12%
Repairs and Maintenance	27 350.58	60 000	60 000	29 418.27	50.97%
Other	130.00	3 100	3 100	395	87.26%
Total Operational Expenditure	3 962 237.29	4 355 200	4 355 200	3 758 832.27	13.70%
Net Operational (Service) Expenditure	(2 997 066.09)	(4 352 100)	(4 352 100)	(3 758 437.27)	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Internal Audit					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects				
Project A	-	-	-	-	--
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Strategic Support and Planning objectives Taken From IDP								
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16		
		Target	Actual	Target	Actual	Target	Actual	
<i>Service Indicators</i>								
(i)	(ii)							
Service Objective: To develop and implement integrated and management and governance systems								
# of performance assessments reports submitted	-	4	4	4	4	4	4	4
# of Monitoring and Evaluation Forum meetings held	-	4	4	4	5	4	4	4
% of highly rated IDP developed	-	100%	100%	100%	100%	100%	100%	100%
# of Municipal Managers Forum meetings held	-	4	4	4	4	4	4	1
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators' Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the introduction of performance management arrangement by municipalities in which IDPs play a key role.								

Employees: Strategic Support and Planning					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	0	0
4 - 6	2	2	2	0	0
7 - 9	1	1	1	0	0
10 - 12					
13 - 15	-				
16 - 18	-		-	-	-
19 - 20					
Total	4	4	3	0	0
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. T3.56.4					

Financial Performance 2015/16: Strategic Support and Planning					
					R'000
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	3 934 756.71	4 292 100	4 292 100	3 729 019.08	13.12%
Repairs and Maintenance	27 350.58	60 000	60 000	29 418.27	50.97%
Other	130.00	3 100	3 100	395	87.26%
Total Operational Expenditure	3 962 237.29	4 355 200	4 355 200	3 758 832.27	13.70%
Net Operational (Service) Expenditure	(2 997 066.09)	(4 352 100)	(4 352 100)	(3 758 437.27)	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure 2015/16: Strategic Support and Planning					
					R' 000
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	400 000	400 000	338 926	15.27%	
Project A	400 000	400 000	338 926	15.27%	
Project B	-	-	-	-	
Project C	-	-	-	-	
Project D	-	-	-	-	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					

3.11 Component K-Organisational Performance Score-Card

2015/16 INSTITUTIONAL SCORE CARD

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Respons ible departm ent	Baseli ne	2015/ 16 Annu al Targe t	Actual 2015/16 Performance	Varia nce	Remarks	Remedi al Action	Evidence
SPATIAL RATIONAL												
1.	Spatial rationale	To facilitate access and transform land and rural tourism developm ent	Integrated Planning	% Highly rated IDP	OMM	100%	100%	100%-The 2016/17 IDP approved by council 31 May 2016	0%	Final 2016/17 IDP submitte d to the MEC 06 June 2016.	None	CoGHSTA IDP report
2.	Spatial rationale	To facilitate access and transform land and rural tourism developm ent	Integrated Planning	% of IDP adopted by council by 31 May 2016	OMM	100%	100%	100%-Final IDP adopted by council by way of resolution A343/2016	0%	The IDP adopted within the prescribe d legislativ e timefram e.	None	Council resolution
3.	Spatial rationale	To facilitate access and transform land and rural tourism developm ent	Integrated Planning	% of SDF & land use managemen t system developed & approved in line with the SPLUMA	PED	100%	100%	100% aligned to the SPLUMA	0%	Coordina te & support the develop ment and review of local SDFs & LUMS in line with SPLUMA	None	SDF,LUMS & SPLUMA
BASIC SERVICES DELIVERY												
4.	Basic service delivery	To coordinat e & monitor infrastruc ture developm ent for the provision & access to services	Municipal health	% food outlets issued with certificates of compliance (for outlets that comply with set standard)	SDCS	100%	100%	100%- 123/123 Certificate issued.	0%	123 Food outlets issued with certificat e from July 2015 to June 2016	None	Copies of Certificates

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Respons ible departm ent	Baseli ne	2015/ 16 Annu al Targe t	Actual 2015/16 Performance	Varia nce	Remarks	Remedi al Action	Evidence
5.	Basic service delivery	To coordinat e & monitor infrastruc ture developm ent for the provision & access to services	Municipal health	# of permitted land fill site monitored	SDCS	8	8	50/8 land fill sites monitored	(42)	Because most land fill site are not complian t the departme nt monitor them frequentl y	None	Reports
FINANCIAL MANAGEMENT AND VIABILITY												
6.	Financial managem ent and viability	To effectivel y manage finances and improve financial sustainab ility	Expenditu re Managem ent	% Operating budget variance in terms of SDBIP	ALL	8.1%	10%	15.31% Opex variance	5.31%	Due to vacancies in various departme nts	Vacant position s will be filled in the new financial year.	Annexure B Financial Report
7.	Financial managem ent and viability	To effectivel y manage finances and improve financial sustainab ility	Expenditu re Managem ent	% Capital budget variance in terms of SDBIP	ALL	54%	10%	28% Capex variance	18%	Additional MIG budget were transferr ed March 2016 after the adoption of adjusted Budget	None	Annexure C Financial report
8.	Financial managem ent and viability	To effectivel y manage finances and improve financial sustainab ility	Budget and reporting	% Adjustments budget submitted within timeframe	BTO	100%	100%	100%- 28 August 2015 in Q1 & council approved on 29 Feb 2016	0%	Submitte d to NT,PT and CoGHSTA 14 March 2016 & 17 March 2016	None	Council resolution & submission letters
9.	Financial managem ent and viability	To effectivel y manage finances and improve financial sustainab ility	Supply chain managem ent	% of Conditional Grants spend in accordance with DoRA and Grant Frameworks by target date	BTO	100%	100%	MSIG-100% RTSG-100% FMG-100% MWIG- 73.36% PWPG-100% EPWP-100% MIG-40.51% 87%	13%	Additional allocating was in March 2016 for MIG and MWIG grands	None	Financial report – Grants reporting
LOCAL ECONOMIC DEVELOPMENT												
10.	Local Economic Developm ent	To ensure optimal utilisation and adherenc	Job creation	% of LED strategy aligned to the provincial &	PED	100%	100%	100% Strategy aligned with provincial Strategy	0%	Council approved 31 May 2016	None	LED strategy See WDM website

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Responsible department	Baseline	2015/16 Annual Target	Actual 2015/16 Performance	Variance	Remarks	Remedial Action	Evidence
		e to space economic		national LED strategy/ framework								
11.	Local Economic Development	To ensure optimal utilisation and adherence to space economic	Job creation	% of LED forums resolutions implemented	PED	100%	100%	0%-No meetings for 15/16	100%	Meeting postponed due to lack of quorum	Make follow up after sending's invitations	Email communicate
12.	Local Economic Development	To ensure optimal utilisation and adherence to space economic	Job creation	# of Jobs created through LED initiatives	PED	40	40	3060/40 Community works program	(3020)	3020 additional jobs created in partnership with LEDET	None	Job creation Report
13.	Local Economic Development	To ensure optimal utilisation and adherence to space economic	Job creation	# of jobs created through EPWP	ID	20	15	340 /15 jobs create in Q4	(325)	EPWP incentive grand and mail grand has increase our output	None	EPWP Reports
GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
14.	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Monitoring and Evaluation	% of Submission of Annual Performance Report (sec 46 MSA) by 31 August 2015.	OMM	100%	100%	100% 31/08/2015 & 31 /08/2016	0%	Sec 46 report – Unaudited Performance report was submitted to AG,NT,PT and CoGHSTA on 31 August 2015	None	Submission letter
15.	Good Governance and Public Participation	To develop and implement integrated management and governance systems	Auditing	% of AG - Audit outcome	ALL	100%	100%	100% Unqualified Audit Opinion	0%	The final report was received 30 Nov 2016	None	Audit opinion
16.	Good Governance and Public Participation	To develop and implement integrated	Auditing	Average % AG material audit queries resolved	ALL	100%	100%	88% 23/26 Queries resolved	12%	3 outstanding queries one from BTO &	None	Audit action plan

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Respons ible departm ent	Baseli ne	2015/ 16 Annu al Targe t	Actual 2015/16 Performance	Varia nce	Remarks	Remedi al Action	Evidence
		d managem ent and governan ce systems								one from OMM		
17.	Good Governanc e and Public Participati on	To develop and impleme nt integrate d managem ent and governan ce systems	Auditing	% Identified risk resolved within timeframes as specified in risk plan	ALL	100%	100%	10% 1/11 risks mitigated	90%	After risk assessme nt held in q3 new risks were identified	Develop a program me to mitigate risks	Risk register
18.	Good Governanc e and Public Participati on	To develop and impleme nt integrate d managem ent and governan ce systems	Auditing	% of Audit Committee recommend ations implemente d	ALL	100%	100%	100% 12/12 AC recommend ations resolved	0%	AC –Q4 meeting held 15 August 2016.	None	Audit Committee recommend ations
19.	Good Governanc e and Public Participati on	To develop and impleme nt integrate d managem ent and governan ce systems	Auditing	# of Performance audit reports submitted to Council	OMM	4	4	3/4 The 3 rd AC report tabled 7 July 2016	1	The Q4 AC meeting held 15 August 2016. Q4 report will be tabled in council its special meeting in Septemb er 2016.	None	Council item or resolution
20.	Good Governanc e and Public Participati on	To develop and impleme nt integrate d managem ent and governan ce systems	Governan ce	% Council resolutions implemente d within timeframes	ALL	100%	100%	91% 71/78 resolutions resolved	9%	Applicati on for a waiver send to the minister through office of the MEC for concurrence	Develop program me to resolve the 7 remaini ng resoluti ons	Council resolutions implemente d register
21.	Good Governanc e and Public Participati on	To develop and impleme nt integrate d managem ent and governan ce	Inter-governme ntal relations	% Municipal Managers Forum Resolutions related to WDM implemente d.	ALL	100%	100%	87.50%- 7/8 resolutions resolve – meeting held 25 November 2015	12.50 %	1 st meeting postpone d due to SPLUMA training. 4 th postpone d due to MTREF engagem	All instituti onal program me will be catered in the 2017/18 WDM process	Resolution register Email communique

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Responsible department	Baseline	2015/16 Annual Target	Actual 2015/16 Performance	Variance	Remarks	Remedial Action	Evidence
		systems								ent with MMs.	plan	
22.	Good Governance and Public Participation	To develop and implement integrated management and governance	Public Participation	# of IDP Representative Forum meetings convened	OMM	4	4	4/4 Meetings held 25/08/2015 12/11/2015 05/04/2016 24/05/2016	0	None	None	Invitation s, Agenda, minutes & attendance register
23.	Good Governance and Public Participation	To develop and implement integrated management and governance	Governance	# of council meeting held	ES	4	4	7/4 Meetings held 28 August 2016 Sept 2016 28/01/2016 29/02/2016 31/03/2016 31/05/2016 7/07/2016	(3)	3 meetings were special council meetings	None	Attendance register
24.	Good Governance and Public Participation	To develop and implement integrated management and governance	Governance	# of MPAC meeting held	ES	4	4	4/4 Meetings held 18 November 2015 18 March 2016 18 May 2016 15 June 2016	0	None	None	Minutes & attendance register
25.	Good Governance and Public Participation	To develop and implement integrated management and governance	Governance	Oversight report approved by council by 31 march	OMM	1	1	1/1 oversight report was approved 31 march 2016	0	The oversight Report submitted to MEC 07 April 2016	None	Council resolution
TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT												
26.	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Human Resources Management	# of employees employed in accordance with The EE plan targets	CSSS	50%	50%	99% 61-45% Male 72-54% Female Total 133	(49%)	The EE plan targets are fully meet	None	EE Report
27.	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Human Resources Management	# of Senior Management with signed Performance Agreements	OMM	7	7	7/7 14 July 2015 MM 18 March 2016- CFO- 27 July 2015 ACFO 27 July 2015 CSSS 27 July 2015- PED	0	All 7/7 Managers signed the 2015/16 Performance agreement including the two	None	2015/16 Performance Agreements

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Respons ible departm ent	Baseli ne	2015/ 16 Annu al Targe t	Actual 2015/16 Performance	Varia nce	Remarks	Remedi al Action	Evidence
								27 July 2015- ES 27July 2015- ID 13 July 2015- SDCS		acting managers		
28.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Human Resources Managem ent	# of officials capacitated in terms of workplace skills	CSSS	21	40	67/40	(27)	62/40 officials were capacitat ed	None	Training Report
29.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Human Resources Managem ent	# of internship & leanership opportunitie s created	CSSS	4	4	5/4	(1)	5/4 internshi p opportun ities created and filled	None	Report
30.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Human Resources Managem ent	% progress with compilation & submission of WSP to LGSETA	CSSS	100%	100%	100% WSP submitted 29 April 2016	0%	None	None	Submission letter
31.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Organisati onal Developm ent	# of quarterly performance reviews conducted	OMM	4	4	2/3 assessments conducted	1	The schedule d Q4 assessme nt will be held in January after Audit opinion	Adhere to schedul e	Attendance register. Communiqu e to postpone Q3 assessments
32.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Organisati onal Developm ent	% of approved SDBIP aligned with the IDP & Budget	OMM	100%	100%	100% 2016/17 SDBIP approved by the EM 15 June 2016	0%	2015/16 Adjusted SDBIP approved 29 February 2016	None	Approved SDBIP
33.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Monitorin g and Evaluation	# of Annual Performance evaluation conducted	OMM	1	1	2014/15 Annual evolution held 27 July 2016	0	Meeting postpone d twice 17 May 2016 & 19 July 2016	Adhere to schedul e	Attendance register
34.	Transform ation and Organisati onal Developm ent	To attract, develop and retain	Monitorin g and Evaluation	% of Annual report (sec 121) adopted & submitted to	OMM	100%	100%	100% The oversight Report submitted to	0%	MPAC oversight report approved 31 March	None	Council resolution & submission letter

N O.	KPA	Strategic Objective	Program me / Focus area	Performance Indicators	Responsible department	Baseline	2015/16 Annual Target	Actual 2015/16 Performance	Variance	Remarks	Remedial Action	Evidence
	ent	ethical and best human capital		MEC by 31 March 2016				MEC 07 April 2016		2016		
35.	Transformation and Organisational Development	To attract, develop and retain ethical and best human capital	Monitoring and Evaluation	# of LLF Meeting held	CSSS	4	4	9/4 LLF meetings held	(5)	LLF meeting held 5 were special meetings	None	Attendance register

4. External service providers

- ✦ WDM has entered into service delivery agreements with local municipalities with regard to Disaster Management Services and firefighting Services.
- ✦ Table below show number of reports submitted quarterly for services rendered.

No.	Local Municipality	Baseline 2014/15	Target 2015/2016 reports	Actual report 2015/2016
1.	Bela-Bela	3	4	4
2.	Modimolle	3	4	4
3.	Mogalakwena	4	4	4
4.	Mookgophong	3	4	4
5.	Lephalale	4	4	4
6.	Thabazimbi	4	4	2
	TOTAL	21	24	22

5. Other External service providers (top TEN)

- ✦ The table below shows the top ten external service providers.

N o.	Project Description	Date Awarded	Name of Service Provider/ Contractor	Duration of a contract	Project Completion date	Amount Awarded	Responsible department	Actual 13/14	Actual 14/15	Actual 15/16	Budget 16/17	Project Manager's comments
1.	Provision for Travel Agency	08 January 2015	Batsumi Travel (Pty) Ltd	3 years	31 January 2019	Various percentage on commission between 6% and 8%	CSSS	N/A	R245 687 .20	R585 142 .20	R4 439 100.00	Project running effectively
2.	Provision for Travel Agency	08 January 2015	Nhlamulo-Hosi Investment	3 years	31 January 2019	Various percentage on commission between 6% and 8%	CSSS	N/A	R459 797 .42	R479 195 .19	R4 439 100.00	Project running effectively
3.	Implementation of SCOA	29 January 2015	Munsoft (Pty)Ltd	11 Months	30 June 2016	R1 450 000.00	BTO	N/A	N/A	R360 462 .33	N/A	Effective
4.	Production of newsletter	09 December 2013	Kgantshi Marketing	3 years	14 December 2016	R480 000 .00	EMO	R120 000 .00	R200 000 .00	R160 000 .00	N/A	Satisfactory services rendered
5.	Rural Road Asset Management	16 July 2013	Tshashu Consulting and Projects	3 years	30 June 2016	R4 551 754.39	ID	R1 378 070.18	R1 560 526.33	R1 424 751.41	R1 897 000.00	Project running effectively
6.	Provision for security services	23 November 2015	Leledu Security Services	3 years	31 March 2019	R5 427 034.70	CSSS	R1 783 956.48	R1 926 673.92	R2 585 974.08	R2 143 200.00	Project running effectively

N o.	Project Description	Date Awarded	Name of Service Provider/ Contractor	Duration of a contract	Project Completion date	Amount Awarded	Responsible department	Actual 13/14	Actual 14/15	Actual 15/16	Budget 16/17	Project Manager's comments
7.	Advertising Agency	03 December 2013	Ultimate Recruitment Solution	3 years	19 December 2016	VARIOUS PER DEPT	CSSS	R231 267 .28	R365 558 .79	R417 315 .30	R275 962 + IDP PROJECTS	Project running effectively
8.	Maintenance of WDM building, Disaster and abattoir	02 April 2015	M2M/Sithe mbekile JV	3 years	30 June 2018	Units per rate	ID	N/A	N/A	R198 478 .56	R1 100 000.00	Project running effectively
9.	Appointment of professional consultants for PMU	13 July 2015	SML Projects (Pty)Ltd	3 years	30 June 2018	R 11 253.51 Total unit rate	ID	N/A	N/A	R2 699 658.04	R5 000 000.00	Project running effectively
10.	Short term insurance	01 July 2013	AON Insurance	3 years	30 June 2016	Annual fixed fee & commission per service provided	CSSS	R465 767 .29	R531341 .00	R718 955.45	R1 0519 000.00	Satisfactory services rendered

4 Chapter 4

4.1 Component A –introduction to the Municipal Personnel

4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Waterberg District Municipal has a staff component of 129 of which 57 are females' employees whose responsibility is to implement its Integrated Development Plan. The attempt to develop an organisational development strategy was meant to improve the effectiveness and efficiency of the municipality. More emphasis should place on forward planning and project management skills. The Human Resources Division provides all the HR functions to all employees within the organisation.

Number of positions for 2015/16 as at 30 June 2016								
	Department	Management	Technical	Labour	Support	Total	Vacant	% of vacant positions
1	Budget and Treasury Office	4	-	-	10	15	1	0.72
2	Office of Municipal Manager	2		0	5	9	2	1.44
3	Corporate Support and Shared Services	3	-	8	12	24	1	0.72
4	Planning and Economic Development	4	-	15	5	26	2	1.44
5	Infrastructure Development	2	1	-	1	4	0	0.0
6	Executive Support	4	-	-	9	15	2	1.44
7.	Social and Community Services	3	-	-	41	45	1	0.72
	Totals	22	1	23	83	129	9	6.52

In general 94% of budgeted positions were filled at the end of the financial year.

4.2 Component B-Managing the Municipal Workforce

Employees as important assets of the municipality should be managed well and Senior Managers have a responsibility to motivate, guide and discipline other employees in order to implement the IDP successfully. Senior managers provide strategic leadership whilst divisional managers should supervise other employees and ensure there is operational efficiency. Training and development and reviewing and developing new policies are critical in improving the manner in which the staff is managed.

Employees					
Description	2014/15	2015/16			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	-	-	-	-	-
Waste Water (Sanitation)	-	-	-	-	-
Electricity	-	-	-	-	-
Waste Management	-	-	-	-	-
Housing	-	-	-	-	-
Waste Water (Stormwater Drainage)	-	-	-	-	-
Roads	-	-	-	-	-
Transport	-	1	1	0	-
Planning	1	2	1	1	0%
Local Economic Development	4	3	3	0	0%
Planning (Strategic & Regulatory)	4	4	3	1	-
Infrastructure services	4	3	3	0	0%
Environmental Protection				0	
Municipal Health	76	31	31	0	0%
Security and Safety	-	5	4	1	-

Sport and Recreation	1	1	1	0	0%
Corporate Policy Offices and Other	22	88	82	6	0%
Totals	129	138	129	9	95

Vacancy Rate 2015/16				
Designations	*Total Approved Posts	*Variances (Total time that exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)	
	No.	No.	%	
Municipal Manager	1	0	0	
CFO	1	0	0	
Other S57 Managers (excluding Finance Posts)	5	0	20	
Other S57 Managers (Finance posts)	-	-	-	
Municipal Police	-	-	-	
Fire fighters	5	1	-	
Divisional management: Levels 3 Posts)	16	1	93	
Senior Officials Levels 4-5 posts	12	1	0	
Officers Level 6-8 posts)	56	4	4	
Officers Levels 9- 15 (Finance posts)	42	2	0	
Total	138	9	5.1	

Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). 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.

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2013/14	12	10	
2014/15	22	5	3.9
2015/16	13	4	2.8

* 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

The vacancy turnover rate of 5% is normal and since the Acting Managers sign performance until such time that positions are filled them to strive towards achieving the targets of the organisation

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Training and Development was reviewed and implemented by the Human Resources Division in line with the Workplace Skills Plan.

4.2.1 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Taken	Leave	Employees using injury leave	Average injury taken leave per employee	Average Leave per employee	Injury per Total Estimated Cost
	Days	No.	%	Days	R'000	
Required basic medical attention only	-	-	-	-	-	
Temporary total disablement	3	2	-	3	R1549.10	
Permanent disablement	-	-	-	-	-	
Fatal	-	-	-	-	-	
Total	3	2	-	3	R1549.10	
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 11-15)	197	10.36	19	26	7.57	
Skilled (Levels 10)	53	17.66	3	4	13.25	
Highly skilled production (levels 8- 10)	551	14.5	38	43	12.8	
Officers (levels 4-6)	395	14.10	28	36	10.9	
Divisional management (Levels 3)	229	19.08	12	13	17.6	
MM and S57	43	10.75	4	7	6.14	
Total	1 466	86.45%	104	129	68.45	
* - Number of employees in post at the beginning of the year						
*Average calculated by taking sick leave in column 2 divided by total employees in column 5						

4.2.2 POLICIES

For the period under review at least 22 were reviewed and approved by Council

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Employment Equity	100%	100%	
2	Telephone	100%	100%	
3	Employment of family members	100%	100%	
4	Succession planning	100%	100%	
5	Operational allowance	100%	100%	
6	Travel and subsistence	100%	100%	
7	Employee Assistance / Wellness	100%	100%	
8	Employment Equity	100%	100%	
9	HIV and AIDS	100%	100%	
10	Employment relations	100%	100%	
11	Acting appointment and allowance	100%	100%	

12	Training and development	100%	100%	
13	Retention strategy	100%	100%	
14	Leave management	100%	100%	
15	Occupational Health and Safety	100%	100%	
16	Funeral policy	100%	100%	
17	Overtime	100%	100%	
18	Flexi-hour	100%	100%	
19	Transport allowance	100%	100%	
20	Sports	100%	100%	
21	Performance Management	100%	100%	
22	Employment practices policy	100%	100%	
23	Conditional grant	100%	100%	
24	Attendance and punctuality	100%	100%	
25	Sexual Harassment	100%	100%	
26	Smoking	100%	100%	
27	Long service	100%	100%	
28	Employment benefits	100%	100%	
29	Fire arm	100%	100%	
30	Cell phone	100%	100%	
Use name of local policies if different from above and at any other HR policies not listed.				

The HR system is able to keep a record of all employees and monthly basis reconciliation is made. There no serious abuses of sick leave since it is also managed in terms of the Collective Agreement. In terms of the nature of services which the municipal services rendered there no fatalities even in fire-fighting and disaster management services

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Divisional Manager	Insubordination, dishonesty dereliction	22 Feb 2016	Reinstated with conditions	18 May 2016
Disciplinary Action Taken on Cases of Financial Misconduct				
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised	
-	-	-	-	-
2013/14	-	-	-	-
2014/15	-	-	-	-
2015/16	-	-	-	-

4.3 Component C-Capacitating the Municipal Workforce

In general all employees are given the opportunity to improve their knowledge and skills on the tasks they are required to perform in terms of their job descriptions. The skills audit conducted by the HRD Officer goes a long in trying to align training with the Integrated Development Plan. The municipality has initiated a project on Organisational Development and Return on Investment Strategies which be completed in new financial year. HRD is initiating a tool which will measure return on investment more seriously.

4.3.1 Skills Development and Training as at 30 June 2016

Management Level	G	Employee On 30/06/16	Leanship	Skills Programme And other short courses	Others forms of training	Total						
			Actual 2015/16	Actual 2015/16	Target	Actual 2014/15	Actual 2014/15	Target 2012	Actual 2013	Actual 2014	Actual 2015	TOTAL
MM and S57	M	3	1	2	-	2	-	1	-	-	2	2
	F	4	-	2	-	4	4	3	-	-	4	4
Councillor	M	18		5								
	F	19		5								
DMs and SOs	M	15	-	4	-	16	16	8	-	-	16	16
	F	12	-	7	-	9	9	6	-	-	9	9
Technicians and Associate professionals	M	-	-	-	-	-	-	-	-	-	-	-
	F	-		-	-	-	-	-	-	-	-	-
Associate Professionals	M	-	-	-	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-	-	-	-
Professionals	M	19	-	10	-	13	13	4	-	-	13	13
	F	22		4	-	7	7	5	-	-	7	8
Unskilled	M	22	-	3	-	5	5	2	-	-	5	5
	F	35	1	18	-	11	11	2	-	-	11	11
Subtotal	M	77	2	24	-	37	37	2	-	-	37	37
	F	92		36	-	32	32	3	-	-	32	32
Total		169		60	-	69	69	5	-	-	69	69

4.1 Component D-Managing the Workforce Expenditure

4.1.1 Skills Development: Expenditure

Management Level	G	Employee as at 30/06/16	Leanship		Skills Development		Other forms		Total
MM and S5&			Original budget	Actual budget	Original Budget	Actual budget	Original budget	Actual budget	
	M	3	R 39 600	R 39 600	R 15 846	R 15 846	-	-	R 55446
	F	4	-	-	R 35 796	R 35 796	-	-	R 35796
Councillors	M	18	-	-	R 3 44 85	R 3 44 85	-	-	R 94 492
	F	19	-	-	R 3 44 85	R 3 44 85	-	-	R 68 970
DMs and SOs	M	15	-	-	R 14 938	R 14 938	-	-	R 14 938
	F	12	-	-	R 25 111	R 25 111	-	-	R 25 111
Technicians and Associate professionals	M	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-
Professionals	M	19	-	-	R 51 793	R 51 793	-	-	R 51 793
	F	22	-	-	R 6715	R 6715	-	-	R 6715
Unskilled	M	22	-	-	R 22 306	R 22 306	-	-	R 22 306
	F	35	R 39600	R 39 600	R 93 119	R 93 119	-	-	R 93 119
Subtotals	M	77				-	-	-	
	F	92				-	-	-	
Totals		169	R 39600	R 39600	R 334 594	R 334 594		-	R 374 194

4.1.2. Finance Skills Development Competency Progress Report

Description	A Total # of officials employed	B Total # of employees(Entity)	Consolidation Of A& B	Consolidated competency assessments completed by A+B	Consolidated total # of officials whose performance agreements comply with regulations	Consolidated Total# of officials who meet the prescribed competency level
Finance officials	15	0	15	6	1	5
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	0	1	0
Senior Managers	5	0	5	5	5	5
Divisional Managers	2	0	2	2	2	2
Other officials	0	0	0	0	0	0
Heads of Supply Chain Management Unit	1	0	1	1	0	1
Total	25	0	25	15	7	14

COMPONENT A

STATEMENTS OF FINANCIAL PERFORMANCE ENDED 30 JUNE 2016

5.1 STATEMENTS OF FINANCIAL PERFORMANCE 2015/16 FY

	Note(s)	2016	2015
Revenue			
Revenue from exchange transactions			
Service charges		1,255,604	1,988,914
Interest earned - External investments	19	10,382,263	7,183,234
Interest earned - Receivables	19	31,665	121
Other income	20	128,651	482,204
Total revenue from exchange transactions		11,798,183	9,654,473
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	21	147,813,891	104,085,244
Public contributions and donations	22	50,000	71,778
Total revenue from non-exchange transactions		147,863,891	104,157,022
Total revenue		159,662,074	113,811,495
Expenditure			
Employee related costs	23	(64,616,463)	(59,513,386)
Remuneration of councillors	24	(6,717,206)	(6,346,779)
Post-retirement health care expenditure		(1,931,653)	(4,735,274)
Long-service award expenditure		(568,768)	(620,879)
Depreciation and amortisation	25	(6,010,996)	(5,358,538)
Impairment loss/ Reversal of impairments	26	(164,918)	(1,656,260)
Repairs and maintenance		(1,442,300)	(778,277)
Contracted services	27	(15,703,090)	(14,288,994)

Project expenditure	29	(36,119,517)	(8,927,175)
General Expenses	28	(18,603,884)	(18,599,282)
Total expenditure		(151,878,795)	(120,824,844)
Loss on disposal of assets		-	(407,273)
Surplus (deficit) for the year		7,783,279	(7,420,622)

5.2 GRANTS

Grant Performance

Description	2014/15	2015/16			2015/16 Variance %	
	Actual	Original budget	Adjustments budget	Actual expenditure	Original Budget	Adjustment Budget
Operational transfers and grants	R	R	R	R	%	%
National Government	R	R	R	R	%	%
Equitable share	99 036 000	111 232 000	111 232 000	111 232 000	0	0
Municipal Systems Improvement	840 551	940 000	940 000	940 000	0	0
EPWP incentive	1 000 000	1 000 000	1 000 000	1 000 000	0	0
Finance Management	1 250 000	1 250 000	1 250 000	1 250 000	0	0
MIG (PMU)	-	-	-	5 000 000	0	0
Rural Road Assets Management Grant	1 779 000	1 839 000	1 839 000	1 839 000	0	0
MWIG	-	-	-	14 105 555	0	0
MIG	-	-	-	12 006 824	0	0
Provincial Government						
LEDET	147 667	-	-	151 622	-	-
LGSETA	32 000	-	-	-	-	-
Wildlife centre	-	-	-	-	-	-
Tourism Grant	-	-	-	243 340	-	-
Other grant providers (Mayor's Golf day)	-	-	-	45 550	-	-
Total operating transfers	104 085 244	-	-	147 813 891	-	-

5.3 ASSET MANAGEMENT

The Municipal Council has adopted an Asset Management Policy in 2009 which policy is reviewable every year to accommodate the necessary changes.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED IN 2015/16

Asset 1

Name of asset	Specialised vehicles
Description	No capital assets were bought in 2015/16 due to budgetary constraints.
Asset type	
Key Staff involved	
Staff responsible	
Key Issues	

Asset value	2011/12	2012/13	2013/14	2014/15	2015/16	
R						

Capital implications	
Future purpose of the asset	
Key issues	
Policy in place to manage asset	

Asset 2

Name of asset	No capital assets were bought in 2015/16 due to budgetary constraints.
Description	
Asset type	
Key Staff involved	
Staff responsible	
Key Issues	

Asset value	2011/12	2012/13	2013/14	2014/15	2015/16	

Capital implications	
Future purpose of the asset	
Key issues	
Policy in place to manage asset	

Asset 3

Name of asset	Donated Land
Description	Land on which Lephalale Disaster Management is built
Asset type	Property
Key Staff involved	Disaster Management Officer
Staff responsible	Fire Prevention Officer
Key Issues	

Asset value	2011/12	2012/13	2013/14	2014/15	2015/16	
		200 000				

Capital implications	The land will appreciate
Future purpose of the asset	Extension of disaster management centre

Key issues	None
Policy in place to manage asset	Yes

Repairs and maintenance expenditure for 2015/16

Repairs and maintenance expenditure	Original budget R 1 468 500	Adjustments budget 1 184 394	Actual R 1 468 500	Variance 27%
-------------------------------------	--------------------------------	---------------------------------	-----------------------	-----------------

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Ratio	Basis of calculation	2013/14	2014/15	2015/16
Liquidity current ratio	Current assets/current liabilities	8.3%	11,48%	
Cost Coverage	Available cash + investments/ Monthly fixed operations	7.1%	12.5%	
Service debtors to revenue	Total outstanding service debtors/annual revenue for services	429.9%	299.7%	
Debt coverage	Total operating-operating grants/ debt service payment due within financial year	1.2%	1.30%	
Capital charges to operating	Interest and principal paid/operating expenditure	0.0%	0%	
Employee costs	Employee costs/ Total revenue- capital revenue	51.9%	35,8%	
Solvability	Total assets/total liabilities	6.25	7,79	

COMPONENT B

SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

	% of expenditure budget	Original budget R	Adjustments Budget R	Actual R
Capital expenditure on IDP	45.93%	124 545 124	-	57 200 205
Operating expenditure on IDP	-	-	-	-
Total expenditure	45.93%	124 545124	-	57 200 205

5.6 SOURCES OF FINANCE

Details	2014/15 Actual	2015/16 Original budget	2015/16 Adjustments budget	2015/16 Actual	Variance in %
1.External loans	-	-	-	-	-
2.Public contribution and donations		-	-	-	-
3.Grants and subsidies	R 121 795 824	R210 214 349	R210 214 349	R210 214 349	0%
4. Other	-	-	-	-	-
Total	-	-	-	-	-
Entity	-	-	-	-	-
1.External loans	-	-	-	-	-

2.Public contribution and donations	-	-	-	-	-
3.Grants and subsidies	-	-	-	-	-
4.Other	-	-	-	-	-
Total	-	-	-	-	-

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

2015/16				Variance current year	
Name of project	Original budget	Adjustments budget	Actual expenditure	Original budget %	Adjustments budget %
A	74 172 000	74 172 000	17 843 379	75.95%	75.95%
B	3 268 070	3 268 070	3 164 921	3.16%	3.16%
C	6 280 686	6 280 686	4 960 068	21.03%	21.03%
D	1 450 000	1 450 000	1 282 519	11.56%	11.56%
E	1 021 250	1 021 250	1 002 991	1.79%	1.79%

Name of project - A

Objective of the project: upgrading of Thabazimbi waste water treatment plant

Delays: none

Future challenges: none

Anticipates citizen benefits: access to sanitation

Name of project - B

Objective of the project ; Upgrade of abattoir

Delays- none

Future challenges: operating at a loss

Name of project - C

Objective of the project- phagameng street and storm water

Delays- none

Future challenges: none

Anticipates citizen benefits: better storm water drainage

Name of project - D

Objective of the project; implementation of MSCOA

Delays-none

Future challenges- systems malfunction

Name of project - E

Objective of the project-ensure public participation

Delays- none

Future challenges: none adherence to the schedule

Anticipates citizen benefits: consultative governance

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS –

OVERVIEW

Households

Type of service	Service above minimum standards		Service below minimum standards	
	No of HHs	% of HHs	No of HHs	% of HHs
Water	Not applicable	Not applicable	Not applicable	Not applicable
Electricity	Not applicable	Not applicable	Not applicable	Not applicable
Sanitation	Not applicable	Not applicable	Not applicable	Not applicable
Refuse removal	Not applicable	Not applicable	Not applicable	Not applicable

COMPONENT C

CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

The importance of cash management lies in the fact that the municipality will have cash available to enable it to meet its obligations. It also enables the municipality to have a cash backed budget which is more about having the money in the bank rather than the cash which is expected to be collected from the debtors.

	Note(s)	2016	2015
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,262,267	630,845
Grants		210,214,349	121,795,824
Interest income - Investments		10,382,263	7,183,355
Interest income - receivables		31,665	-
Other receipts		178,650	446,159
VAT receipts		2,451,432	-
		224,520,626	130,056,183
Payments			
Employee costs		(71,333,669)	(66,258,578)
Suppliers		(20,046,184)	(13,139,830)
Other payments for VAT		(6,595,053)	2,190,038
Project expenditure		(33,621,444)	(8,947,241)
Thabazimbi project expenditure		(20,341,451)	-
Contracted services		(15,703,090)	(13,008,670)
Other payments		(789,549)	(5,064,859)
		(168,430,440)	(104,229,140)
Net cash flows from operating activities	31	56,090,186	25,827,043
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(3,705,972)	(2,833,400)
Proceeds from sale of property, plant and equipment	9	-	496,450

Purchase of other intangible assets	10	(288,946)	(73,505)
Proceeds from sale of financial assets		-	301,828
Net cash flows from investing activities		(3,994,918)	(2,108,627)
Cash flows from financing activities			
Decrease/(Increase) in Held-to-maturity investments		1,059,654	(3,095,426)
Net cash flows from financing activities		1,059,654	(3,095,426)
Net increase/(decrease) in cash and cash equivalents		53,154,922	20,622,990
Cash and cash equivalents at the beginning of the year		83,059,082	62,436,092
Cash and cash equivalents at the end of the year	3	136,214,004	83,059,082

5.10 BORROWING AND INVESTMENTS

	2013/14 Actual	2014/15 Actual	2015/16 Actual
Securities- National Government	-	-	-
Listed	-	-	-
Deposits	-	-	-
Deposit- Public Investment Commission	-	-	=
Bank acceptance certificates	-	-	-
Negotiable certificates	-	-	-
Other	-	-	-

5.11 PUBLIC PRIVATE PARTNERSHIPS

None

COMPONENT D

OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

The municipality has established a functional Supply Chain Management Unit which is implementing the SMC regulations and policy without fear or favour. The unit has at least 1 officials who have not yet meet the National Treasury Competency Agreements.

The municipality is implementing a 3 committee bid system of which no councillors are allowed to sit on. The committee members have been vetted. The Auditor General has not raise any serious queries about the functionality of the Supply Chain Management Unit under the leadership of the Chief Financial Officer.

5.13 GRAP COMPLIANCE

Waterberg District Municipality has converted to General Recognised Acceptance Principles. At least more than 30 GRAP standards are used to prepare the Annual Financial Statements. The Asset Register is also GRAP compliant.

COMPONENT A

AUDITOR-GENERAL OPINION 2014/15

Report of the auditor-general to the Limpopo provincial legislature and the council on Waterberg District Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Waterberg District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and of the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Waterberg District 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

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

Restatement of corresponding amounts

8. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Material impairments

9. As disclosed in note 24 to the financial statements, material impairment to the amount of R1 662 872 has been recognised as a result of liquidity of the service provider.

Material underspending of the budget

10. As disclosed in Annexure A1 and A2 to the financial statements, the municipality has materially underspent its expenditure and capital budget to the amount of R31 260 742 and R1 814 747 respectively. As a consequence, the municipality has not achieved some of its objectives as set out in its performance report.

Irregular expenditure

11. As disclosed in note 34.2 to the financial statements, irregular expenditure to the amount of R4 450 901 were incurred as a result of payments made in contravention of the supply chain management requirements.

Additional matter

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

Unaudited supplementary schedules

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

Unaudited disclosure notes

14. 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

15. 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

16. 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 Waterberg District Municipality for the year ended 30 June 2015:
- Development priority : Basic services on pages x to x
 - Development priority : Local economic development on pages x to x
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings in respect of the selected development priorities are as follows:

Usefulness of reported performance information

21. I did not identify material findings on the usefulness of the reported performance information for the following development priorities:
- Development priority: Basic services
 - Development priority: Local economic development

Reliability of reported performance information

Development priority: Basic services

22. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Due to inadequate systems I was unable to place reliance on the validity, accuracy and completeness of the reported performance for basic service delivery. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information and differences identified between the reported performance information. The municipality's records did not permit the application of alternative audit procedures.

Development priority: Local economic development

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Due to inadequate systems I was unable to place reliance on the validity, accuracy and completeness of the reported performance for local economic development. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information and differences identified between the reported performance information. The municipality's records did not permit the application of alternative audit procedures.

Additional matters

24. I draw attention to the following matters

Achievement of planned targets

25. Refer to the annual performance report on page(s) x to x and x to x for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected development priorities reported in paragraphs 18 to 20 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Basic service and Local economic development of development priorities. As management subsequently corrected only some of the misstatements, I identified material findings on the reliability of the reported performance information.

Compliance with legislation

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 and annual reports

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 on commitments note identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified opinion.
28. The oversight report, containing comments on the annual report, was not adopted by council within two months from the date on which the 2013/14 annual report was tabled, as required by section 129(1) of the MFMA.

Strategic planning and performance management

29. The municipality did not implement a framework that describes and represents how the municipality cycle and process of performance planning monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of different role players as required by sections 38, 39, 40 and 41 of the MSA read with regulations 7 and 8 of the Municipal Planning and Performance management regulations.
31. The annual performance report for the year under review did not include measures taken to improve performance as required by section 46(1)(c) of the MSA.

Procurement and contract management

30. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and Supply Chain Management (SCM) regulation 28(1)(a)
31. Contracts were awarded to bidders based on points given for criteria that differed from those in the original invitation for bidding and, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.

Expenditure management

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

Internal control

33. 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 opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

- 34. The municipality has not implemented sufficient monitoring controls to ensure accurate reporting on performance objectives.
- 35. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with certain laws and regulations.

Financial and performance management

- 36. The financial statements and reported performance information contained a number of misstatements that were corrected. This is mainly due to inadequate review by management.

Governance

- 37. The reported performance information contained a number of targets where the reported performance of the district municipality does not agree with the audit evidence submitted for audit purposes. This was mainly due to inadequate review by internal audit.
- 38. Audit committee should have guided internal audit to focus on performance information, as a result internal audit did not audit both mid-year and annual performance reports.

Auditor General
Polokwane

30 November 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT B

AUDITOR-GENERAL OPINION 2015/16

Report of the auditor-general to the Limpopo council of Waterberg District Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the 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 the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

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

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Waterberg District Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Irregular expenditure

8. As disclosed in note 32 to the financial statements, the municipality incurred irregular expenditure of R12 785 324 in contravention of the supply chain management (SCM) regulations.

Additional matters

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

Unaudited supplementary information

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

Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected Key Performance Areas 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

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected key performance areas presented in the annual

performance report of the municipality for the year ended 30 June 2016:

- Key performance area 2: Basic services on pages x to x
 - Key performance area 4: Local economic development on pages x to x
13. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned development objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. The material findings in respect of the selected Key Performance Areas are as follows:

Basic service delivery

Usefulness of reported performance information

16. I did not identify any material findings on the usefulness of the reported performance information for key performance area: basic service delivery.

Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of important indicators.

Local economic development

Usefulness of reported performance information

18. I did not identify any material findings on the usefulness of the reported performance information for key performance area: basic service delivery

Reliability of reported performance information

19. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of important indicators.

Additional matters

20. I draw attention to the following matters:

Achievement of planned targets

21. Refer to the annual performance report on pages x to x; x to x for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph(s) x; x; x of this report.

Unaudited supplementary schedules

22. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited [this / these schedule(s)] and, accordingly, I do not report on them.

Compliance with legislation

23. 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 statement, performance and annual report

24. 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 expenditure, accumulated surplus and irregular expenditure and other disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure

25. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

Consequence management

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

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

28. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Internal control

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

LEADERSHIP

30. The municipality has not implemented sufficient monitoring controls to ensure accurate reporting on performance information.
31. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with certain laws and regulations.

FINANCIAL AND PERFORMANCE MANAGEMENT

32. The financial statements and reported performance information contained a number of misstatements that were corrected. This is mainly due to inadequate review by management.

GOVERNANCE

33. Numerous errors and other misstatements in the annual performance reports could have been avoided had the internal audit adequately reviewed performance information.

Polokwane

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT C

AUDIT COMMITTEE ANNUAL REPORT 2015/16

WATERBERG DISTRICT MUNICIPALITY'S AUDIT COMMITTEE (AC) ANNUAL REPORT TO COUNCIL AND PROVINCIAL LEGISLATURE FOR PERIOD ENDED 30 JUNE 2016

1. INTRODUCTION

For and on behalf all the members of our esteemed Audit Committee (AC), I derive great pleasure and honor in presenting the annual audit committee report for the financial year 2015/2016 in accordance with the applicable legislative provisions.

2. Audit Committee Fiduciary Duties

In terms of Section 166 of the Municipal Finance Management Act (No. 56 of 2003), the Audit Committee must:

advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to:-

- (i) Internal financial controls and internal audit;
 - (ii) Risk management;
 - (iii) Accounting policies;
 - (iv) The adequacy, reliability and accuracy of financial reporting and information;
 - (v) Performance management;
 - (vi) Effective governance;
 - (vii) Compliance with the MFMA, the DORA and any other applicable legislation;
 - (viii) Performance evaluation; and
 - (ix) Any other issues referred to it by the municipality
- (a) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its effectiveness and its overall level of compliance with the MFMA, the DORA and any other applicable legislation;
- (b) respond to the Council on any issues raised by the Auditor-General in the audit report;
- (c) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;

(d) perform such other functions as may be prescribed

3. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

Name and Surname	Position	Number of meetings attended	
		Ordinary	Special
SAB Ngobeni	AC Chairperson	4 of 4	2 of 2
A Mashego	AC Member	3 of 4	2 of 2
B Kgomo	AC Member	1 of 4	1 of 2

4. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee (AC) 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 AC also reports that it has adopted appropriate formal terms of reference as its AC 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.

5. EFFECTIVENESS OF INTERNAL CONTROL

AC's review of the effectiveness of the internal control revealed that there is a room for improvement in the system of internal control of the municipality. Internal audit findings and AGSA findings revealed a regression in system of internal control in respect of financial management/reporting, performance management and reporting, and compliance with laws and regulations. Notwithstanding the above, the Audit Committee notes management's commitment to correct the deficiencies.

6. IN YEAR/MONTHLY MONITORING 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.

7. RISK MANAGEMENT

The AC is of the opinion that municipality's risk management maturity level is very high.

8. FINANCIAL MANAGEMENT

The AC used a set of uniform key financial ratios and norms suitable and applicable to municipalities as articulated in MFMA circular no. 71 to assess the financial health and viability of the district municipality. The review revealed that district is not financial viable. Thus, AC recommends the development of comprehensive financial turnaround strategy.

9. COMPLIANCE WITH LAWS AND REGULATIONS

A number of non-compliance with the enabling laws and regulations were revealed by Audit Committee, Internal Audit and AGSA 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. Thus, the AC recommended development and implementation of compliance management system and framework in order to address the issues of non-compliance.

10. INTERNAL AUDIT

The AC is satisfied with the effectiveness of Internal Audit. 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 caused by the unit.
- Review 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

11. EXTERNAL AUDIT

11.1 The AC did review the Auditor-General's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2015/16 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.

11.2 The AC evaluated management responses to the reports or findings of the Auditor-General (Action plan to address prior year findings) on quarterly basis and gave inputs and advice on how best to address the findings raised by the AGSA.

11.3 At the time of submission of the annual financial statements and performance report to AGSA for audit, not all the AGSA findings were resolved as at 31 August 2016.

11.4 AC interacted with Final Audit and Management Letter issued by AGSA and concurs with AGSA's observations.

12. COMMENDATIONS

The AC would like to take this opportunity and congratulate Council, Management and Shareholder for the attainment of unqualified audit opinion.

13. PERFORMANCE MANAGEMENT

The AC reviewed effectiveness and 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, usefulness and reliability of performance information as well as management's adequate review and monitoring of performance management information/reports.

14. FINANCIAL REPORTING

The AC reviewed the quality, accuracy, uselessness, reliability and appropriateness of monthly, quarterly and annual financial reporting and observed that there is a serious room for improvement in so far as compliance with section 122 of the MFMA and management's review and monitoring of financial reports.

15. IT GOVERNANCE

The AC did review current IT governance and arrangement and noted there is a room for improvement in so far as fully implementation of ICT Governance Framework.

16. IMPLEMENTATIONS OF AUDIT COMMITTEE RESOLUTIONS

As at the end of the year, a number of Audit Committee resolutions were implemented satisfactorily.

17. IMPLEMENTATION OF COUNCIL RESOLUTIONS

As at the end of the year a large number of Council resolutions were implemented and however, the AC recommends development and implementation of Council resolutions management systems and possible automation of the management of council resolutions.

18. CONSEQUENCE MANAGEMENT FRAMEWORK

For Council to foster and integrate the culture of accountability in the municipality, The AC recommends development and implementation of consequence management framework.

19. INTEGRATED/COMBINED ASSURANCE FRAMEWORK

To enhance the governance and oversight function of the municipality, the AC recommends development and implementation of combined assurance framework.

20. LEADERSHIP

Municipality Council did provide somewhat effective leadership based on a culture of honest and good governance. However there is a room for improvement in so far as management's oversight on the financial statements, performance reporting and compliance with laws and regulations governing the district municipality.

21. CONCLUSION

The AC wishes to acknowledge the commitment from Council, management and staff of the municipality. We would also like to thank the Executive Mayor for his support, Councillors, senior management for their efforts and internal audit for their contribution.

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a stylized flourish, all enclosed within an oval shape.

SAB Ngobeni

Waterberg District Municipality

Chairperson of the Audit Committee

09 January 2017

COMPONENT D

6.4 Follow up on Audit General report 2015/16

FINANCIAL YEAR		: 15/16FY									
MUNICIPALITY NAME		: WATERBERG DISTRICT									
AUDIT OPINION		: UNQUALIFIED									
REPORTING PERIOD		: Q2 of 16/17									
No	Audit Finding	Category of Finding	Description of Finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress
1	Predetermined Objectives	Matters affecting the auditor's report	Annual Performance Report: No supporting evidence has been provided for the reported information for the LED initiatives and EPWP jobs created.	Recurring	The accounting officer does not exercise oversight responsibility over performance of information reporting, financial reporting and internal control.	Management will ensure that reported performance is supported by sufficient appropriate evidence. Quarterly performance information is reviewed by Internal Audit and management implement improvement recommendations as made.	19 Sept 2016	30 Jun 2017	T Kgomo	DM:SSP	
2	Predetermined Objectives	Matters affecting the auditor's report	The audit test was not done to determine whether the certificates were issued for outlets that met the set standards as the inspection reports were not kept by the municipality . The completeness audit testing of the reported performance was not done as the supporting documents	New	Accounting Officer did not ensure that there is proper information system in place for the recording, processing and reporting on the performance information.	Standard operating procedures have been developed, and register for certificate of acceptability was developed and forwarded to AGSA. The SOP will be communicated to the role players.	08 Nov 2016	30 Jun 2017	M Mampa	Manager: SDCS	

			for the origination of the process (application forms and inspection reports) are not kept by the municipality .								
3	Predetermined Objectives	Matters affecting the auditor's report	We were able to confirm that 120 certificates issued as reported are valid, as they are supported by actual compliance certificates. However, we were not able to test whether the certificates were issued for outlets that met the set standards as the application forms and inspection reports were not attached to the certificates of acceptability tested.	New	Accounting officer did not ensure that there is proper information system in place for the recording, processing and reporting on the performance information.	Standard operating procedures have been developed, and register for certificate of acceptability was developed and forwarded to AGSA. The SOP will be communicated to the role players.	15 Nov 2016	30 Jun 2017	M Mampa	Manager: SDCS	
4	Procurement	Matters affecting the auditor's report	Supply Chain Management: The transactions were correctly included in the irregular expenditure however they were	Recurring	The Accounting Officer did not implement controls to ensure that irregular expenditure identified is not included in the deviation register	The Accounting Officer did not implement controls to ensure that irregular expenditure identified is not included in the	10 Nov 2016	30 Nov 2016	G Tloubatla	CFO	

			also included in the Deviation Register, therefore leading to overstatement of deviations.			deviation register. All duplications transactions have thus been deleted from the register. Note no.34 on 2015/16 the annual financial statements will be adjusted accordingly.					
5	Procurement	Matters affecting the auditor's report	Supply Chain Management - Non-compliance of deviations with the SCM Regulation: The SCM deviations were described as single sources (sole providers). Request for quotations was not advertised for 7 days in terms of SCM regulations. (1) Cross-check Information Bureau, (2) Zebula Golf Estate, (3) Rhenoster Boerdery BK.	New	The Accounting Officer did not exercise oversight responsibility regarding the implementation of Supply Chain Management Policy and SCM regulations.	Management will record transactions in the deviation report that meet the requirements of deviations as per section 36 of the Supply Chain Regulations.	10 Nov 2016	30 Jun 2017	G Tloubatla	CFO	
6	Procurement	Matters affecting the auditor's report	Supply Chain Management: The amended contract was not tabled in the council of the municipality. (Crosscheck Information Bureau)	New	The Accounting Officer did not monitor controls to ensure that the extension of the contracts is tabled in the council of the municipality.	The Accounting Officer will ensure that for any amendments and extension to the contracts is tabled in the council of the municipality.	11 Nov 2016	30 Jun 2017	F Raphela	Manager: CSSS	

7	Procurement	Matters affecting the auditor's report	Irregular expenditure - Difference between the Irregular expenditure schedule and the AFS: The irregular expenditure of R3 867 727.51 on the schedule was not disclosed in the financial statement.	New	The accounting officer did not adequately review the financial statements to ensure that errors are identified and that all line items reconcile to the underlying records.	Management would ensure that the amounts as per the irregular expenditure schedule agree to the amounts as per the annual financial statements. The municipality will adjust the AFS note for irregular expenditure.	24 Nov 2016	30 Nov 2016	G Tloubatla	CFO	
8	Revenue	Matters affecting the auditor's report	Amount incurred from implementation of local municipalities projects incorrectly recognized as income and expenditure.	New	The accounting officer did not adequately review the financial statements to ensure that the financial statements are prepared in accordance with the standards of GRAP.	Amounts recognized as revenue and expenditure will be reversed and journal to be passed to correct the error to comply with the requirements of GRAP.	26 Nov 2016	30 Nov 2016	G Tloubatla	CFO	
9	Bank	Matters affecting the auditor's report	Cash flow - The differences in the Cash flow statement items were identified.	New	The Accounting Officer did not ensure that the financial statements are adequately reviewed.	Management recalculated the amounts for Receipts and Suppliers to include unspent grants and project expenditure. The Cash flow statement figures have been revised and adjusted.	25 Nov 2016	30 Nov 2016	G Tloubatla	CFO	
10	Liabilities	Matters affecting the auditor's report	Commitment: The amount as per the annual financial statements does not agree to the total as per the commitment register.	New	The review of the information included in the financial statements was not adequate.	The municipality made adjustments to the Commitments register after the submission of the AFS. The disclosure note for Commitments on AFS was adjusted to	09 Nov 2016	30 Nov 2016	G Tloubatla	CFO	

						reflect the amount of R 59 210 119 as per the Commitments register.					
1 1	Human Resources	Matters affecting the auditor's report	Employee Cost (Salaries & Allowances) : Amounts as per trial balance do not agree to the amounts as per the annual financial statements. The differences are as a result of misclassification between salaries and allowances.	New	Financial statements were not adequately reviewed.	The AFS were adjusted to agree the figures to the trial balance. The salaries and allowances were classified properly.	09 Nov 2016	30 Nov 2016	G Tloubatla	CFO	
1 2	Human Resources	Matters affecting the auditor's report	Employee Cost (Allowances) : Amounts as per trial balance do not agree to the amounts as per the annual financial statements. (Allowances)	New	Financial statements were not adequately reviewed.	The AFS were adjusted to agree the figures to the trial balance. The salaries and allowances were classified properly.	15 Nov 2016	30 Nov 2016	G Tloubatla	CFO	
1 3	Predetermined Objectives	Matters affecting the auditor's report	Variance between reported performance and audited performance: The Annual Performance report states that 132 Certificates of Acceptability were issued to food	New	Lack of a specific and appropriate management information system for recording and reporting on performance information.	The Divisional Manager: Strategic Support and Planning, Management and Internal Audit will review the performance information files to ensure validity, accuracy and completeness of the reported performance.	19 Sept 2016	30 Jun 2017	T Kgomo	DM:SSP	

			outlets. On inspection of the Portfolio of evidence submitted for audit it was noted that only 120 Certificates were issued.								
14	Predetermined Objectives	Other important matters	Audit of Predetermined Objectives: No risk assessment done on performance information.	New	The accounting officer did not implement controls to ensure that the municipality identifies and responds to risks relating to performance information reporting including data quality risks.	Risks are identified by management and prioritised as such. Performance information shall be included in the risk register if recognised and prioritised as a critical risk area according to the risk assessment feedback.	08 Nov 2016	31 May 2017	T Kgomo	DM:SSP	
15	Movable Assets	Other important matters	PPE and Intangible assets: Certain Assets could not be physically verified during the asset verification process.	Recurring	Lack of controls to ensure that all assets in the municipality's asset register can be accounted for.	Management will perform periodic asset verification and follow up on missing assets will thus be done.	03 Nov 2016	30 Jun 2017	G Tloubatla	CFO	
16	Immovable Assets	Other important matters	PPE: Asset was recognised at an incorrect cost in the current year. As per the asset register the SS Geyser cost was R450 000, as per supporting documents it was R250 000. Resulting in	New	Lack of adequate review of the asset register.	The deficiency was due to a typing error as such it will be corrected and AFS adjusted to the correct amount.	03 Nov 2016	30 Nov 2016	G Tloubatla	CFO	

			a difference of -R200 000.								
17	Other Disclosure	Other important matters	Reports of investigation on Unauthorized, Irregular, Fruitless and Wasteful expenditure were not submitted for audit purposes.	New	The accounting officer did not establish and maintain proper record keeping systems to ensure that complete, relevant and accurate information is accessible and available for audit purpose within reasonable timeframes.	The investigation of Unauthorized, Irregular, Fruitless and Wasteful expenditure would be conducted.	01 Nov 2016	30 Jun 2017	G Tloubatla	CFO	
18	Procurement	Other important matters	The SCM policy is not in line with the SCM Regulations . The municipality 's SCM Policy does not have procedures for the handling, opening and recording of bids and for bulk purchases restrictions.	New	SCM policy not consistent with the supply chain regulation.	The SCM Policy was reviewed in 2015/16 financial year and was approved on 31 May 2016 by Council. Refer to section 180 and 35.2 of SCM policy.	27 Oct 2016	27 Oct 2016	G Tloubatla	CFO	
19	Procurement	Other important matters	Supply Chain Management - SCM policy not in line with the SCM Regulations : The municipality submitted its report on the implementation of the SCM policy on the 26th of September	New	Lack of controls to ensure that the municipality SCM policy is aligned to the Supply Chain Management Regulations.	The submission of financial year end reports were also delayed due to the local government elections that took place on the 3rd of August 2016. The quarterly reports are submitted to the Executive Mayor through Budget and Treasury	27 Oct 2016	30 Jun 2017	G Tloubatla	CFO	

			2016 to the Portfolio Committee, not 30 days after year end.			Portfolio Committee Meeting which are not held 10 days after the end of the quarter. Quarterly reports will be sent directly to the Executive Mayor to curb non-compliance in the absence of aligned calendar.					
20	Procurement	Other important matters	Contract Management- failure to request for extension on projects after the project completion date had lapsed.	New	Municipality did not extent all contracts that have passed the completion date but are not yet completed.	Management would ensure that the municipality has extensions for all its projects which are not complete by the expected project completion date.	28 Oct 2016	30 Jun 2017	R Makgata	Manager:ID	
21	Other Disclosure	Other important matters	The Municipality did not report Irregular and Fruitless and wasteful expenditure to the mayor, the MEC for local government and the provincial Auditor-General.	Recurring	Inadequate oversight responsibility over reporting of Irregular and Fruitless and wasteful expenditure.	Irregular, fruitless and wasteful expenditures reports were tabled to Council on the 24th of October 2016 for ratification and condoning, Council referred the report to the Municipal Manager for further investigation.	03 Nov 2016	30 Jun 2017	G Tloubatla	CFO	
22	Other Disclosure	Other important matters	The municipality did not submit the change of banking details information to the Auditor-General and Limpopo Provincial Treasury within 90	New	Non-Compliance with Chapter 9(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA).	Management notified all the relevant stakeholders, with the exception of the office of the Auditor General of South Africa within the 90 days period.	01 Nov 2016	30 Nov 2016	G Tloubatla	CFO	

			days.								
23	Other Disclosure	Other important matters	The Municipality constituted duplication of costs by appointed consultants to address needs for which a position exist.	New	Inadequate oversight responsibility over the appointment of consultants.	Management would ensure that consultants are not appointed to perform core functions for which the post is filled.	03 Nov 2016	30 Jun 2017	G Tloubatla	CFO	
24	Liabilities	Other important matters	The amount disclosed in the financial statements is different to the amount in the actuarial report.	New	Oversight by management.	Management will adjust the relevant journals to make the necessary corrections.	03 Nov 2016	30 Nov 2016	G Tloubatla	CFO	
25	Human Resources	Other important matters	Employee's application for leave form was approved after the leave was taken.	New	Inadequate control over the administration on leave application.	Management will review the Leave Policy and update it accordingly.	02 Nov 2016	30 Jun 2017	F Raphela	MCSSS	
26	Movable Assets	Other important matters	There is misstatement in the depreciation amount disclosed in the AFS due to the understated amount of depreciation.	New	Inadequate oversight responsibility over the review of the asset register.	Chief Financial Officer will ensure that the asset register is reviewed adequately to ensure that the accurate depreciation amount calculation in consideration of the useful lives.	08 Nov 2016	30 Jun 2017	G Tloubatla	CFO	
27	Movable Assets	Other important matters	Some assets selected for physical verification could not be physically verified.	Recurring	The lack of adequate/implemented controls over municipal assets.	Management will perform periodic asset verification and follow up on missing assets will thus be done.	06 Nov 2016	30 Jun 2017	G Tloubatla	CFO	

28	Other Disclosure	Other important matters	The amortization of intangible assets after reassessment applied retrospectively instead of prospectively.	New	Lack of adequate controls on the review of the assets register.	Chief financial Officer will ensure adequate review of the asset register to ensure that the amortisation amount is calculated accurately taking into account the correct useful lives to ensure that the amortisation is calculated in accordance with GRAP.	08 Nov 2016		G Tloubatla	CFO	
29	Other Disclosure	Other important matters	The municipality did not present finance cost as a line item on the face of the statement of financial performance as a separate line item.	New	Oversight by management.	The Accounting Officer will ensure that the finance cost is presented separately as a line item on the statement of financial performance.	17 Nov 2016		G Tloubatla	CFO	
30	Revenue	Other important matters	The Municipality did not have an investment register.	New	Inadequate oversight control to develop and maintain an Investment register.	The municipality has developed an Investment register and will update and maintain it on a monthly basis to ensure its validity, accuracy and completeness.	06 Nov 2016		G Tloubatla	CFO	
31	Receivables	Other important matters	Municipality did not charge interest on debtors over 30 days at current prime rate.	New	Oversight by management.	The municipality will adjust the interest rate to the current prime rate.	08 Nov 2016		G Tloubatla	CFO	
32	Revenue	Other important matters	The Municipality does not perform reconciliations for fire	New	Inadequate oversight responsibility over fire income received from Local	The municipality will perform monthly reconciliations of fire	08 Nov 2016	30 Jun 2017	G Tloubatla	CFO	

			income received from local municipalities against the supporting documents.		Municipalities.	income received from the local municipalities against the supporting documents.					
--	--	--	---	--	-----------------	---	--	--	--	--	--

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” 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 “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Budget 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.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• 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 “ <i>what we wish to achieve</i> ”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “ <i>what we produce or deliver</i> ”. 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 Indicator	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 Budget 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.
Vote:	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 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: <i>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</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES
APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY
APPENDIX E – WARD REPORTING
APPENDIX F – WARD INFORMATION
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2008/09
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS
APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE
APPENDIX K(i) – REVENUE COLLECTION PERFORMANCE BY VOTE
APPENDIX K(ii) – REVENUE COLLECTION PERFORMANCE BY SOURCE
APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
APPENDIX M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES
APPENDIX M(i) – CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME
APPENDIX M(ii) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME
APPENDIX N – CAPITAL PROGRAMME BY PROJECT end June 2014
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2008/09
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71
APPENDIX T _ PERFORMANCE REPORT

APPENDICES

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2015 – JUNE 2016

	SURNAME & INITIALS	07 Aug.15 (Special)	28 Aug. 15 (Ordinary)	30 Sept.15 (Special)	03 Dec. 15 (Ordinary)	28 Jan. 16 (Special)	29 Feb. 16 (Special)	11 Mar. 16 (Special)	31 Mar. 16 (Ordinary)	31 May 16 (Ordinary)	Special=5 Ordinary =4	
											TOTAL = 9	
											ATTEND	APOL/ABS
1.	Basson A.F	Apology	Apology	Apology	Apology	Present	Absent	Absent	Absent	Present	2	7
2.	Kekana T.M	Present	Present	Present	Present	Present	Present	Apology	Present	Absent	8	1
3.	Kekana V.H.	-	-	-	Present	Present	Present	Present	Present	Present	6	0
4.	Koadi G.B	Present	Present	Absent	Apology	Apology	Absent	Absent	Present	Absent	3	6
5.	Kganyago L.C.	Present	Apology	Apology	Present	Present	Absent	Present	Present	Present	6	3
6.	Lebelo L.J.	Present	Present	Present	Present	Absent	Present	Present	Present	Absent	7	2
7.	Lamola K.S.	Apology	Present	Apology	Present	Present	Present	Present	Present	Present	7	2
8.	Langa M.N.	Present	Present	Present	Present	Present	Present	Apology	Present	Present	8	1
9.	Mahlaela R.L.	Present	Present	Present	Present	Present	Present	Present	Present	Absent	8	1
10.	Mahlangu P.M	Absent	Present	Present	Present	Absent	Absent	Present	Absent	Present	5	4
11.	Manganyi M.E.	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0
12.	Manamela L.S	Apology	Present	Present	Apology	Present	Apology	Apology	Present	Present	5	4
13.	Manala S.I	Apology	Apology	Absent	Absent	Absent	Absent	Absent	Absent	Absent	9	0
14.	Masalesa F.M.	Present	Present	Absent	Absent	Present	Absent	Present	Absent	Absent	4	5
15.	Mashamaite T.A	Present	Absent	Present	Present	Apology	Present	Present	Present	Present	7	2
16.	Mhlanga B.S.	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0
17.	Moeletsi R.Z.	Present	Absent	Present	Present	Present	Apology	Present	Absent	Present	6	3
18.	Mogotsi M.M.A.	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0
19.	Mogotlane N.R.	Present	Present	Apology	Present	Present	Present	Present	Present	Present	8	1
20.	Mokonyane T.E	Absent	Apology	Present	Absent	Absent	Absent	Apology	Apology	Apology	1	8

21	Mojela N.G	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0
----	------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---	---

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2015 – JUNE 2016

	SURNAME & INITIALS	07. Aug 15 (Special)	28 Aug. 15 (Ordinary)	30 Sept.15 (Special)	03 Dec. 15 (Ordinary)	28 Jan. 16 (Special)	29 Feb. 16 (Special)	11 Mar. 16 (Special)	31 Mar. 16 (Ordinary)	31 May 16 (Ordinary)	TOTAL = 9	
											ATTEND	APOL/ABS
1.	Molekwa S.M.	Apology	Present	Apology	Present	Present	Present	Apology	Apology	Present	5	4
2.	Monene R.N.	Present	Present	Absent	Present	Present	Present	Present	Present	Present	9	0
3.	Monoa R.L.R.	Apology	Present	Apology	Present	Present	Present	Apology	Present	Present	6	3
4.	Moremi M.L	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0
5.	Morumudi N.S.	Present	Present	Present	Absent???	Present	Present	Present	Present	Apology	7	2
6.	Mosam Z	Present	Present	Apology	Present	Present	Present	Present	Present	Present	8	1
7.	Motlohoneng D.P	Present	Absent	Present	Present	Present	Present	Present	Present	Apology	7	2
8.	Nyamah M.P.	Absent	Present	Absent	Present	Present	Present	Present	Present	Absent	6	3
9.	Ngwetjana L.N.	Present	Present	Present	Present	Apology	Present	Present	Present	Present	8	1
10	Phokela M.D.	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0
11	Ramogale R.A.	Present	Present	Present	Present	Present	Absent	Present	Present	Apology	7	2
12	Scruton P.A.	Absent	Apology	Absent	Absent	Absent	Present	Absent	Absent	Apology	1	8
13	Sekhu M.J.	Apology	Apology	Apology	Present	Present	Present	Present	Present	Present	6	3
14	Selokela M.J.	Apology	Apology	Present	Apology	Present	Present	Apology	Present	Absent	4	5
15	Kekana L.V. (Kgoshi)	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	0	9
16	Shongoane M.M. (Kgoshigadi)	Absent	Absent	Absent	Deceased	Deceased	Deceased	Deceased	Deceased	Deceased	0	9
17	Taueatsoala R.R. (Kgoshigadi)	Present	Present	Present	Present	Present	Present	Present	Apology	Present	8	1

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF PORTFOLIO COMMITTEE – 2015/16

	SURNAME & INITIALS	20 July 15	16 Oct 15	08 Feb 16	21 April 16		TOTAL = 4		
							ATTEND	APO	ABS
BUDGET AND TREASURY									
	Mashamaite T.A	Present	Present	Present	Present		4	1	0
	Mahlangu P.M	Absent	Absent	Present	Present		2	0	3
	Lebelo L.J	Present	Present	Present	Present		4	0	1
	Scruton P.A	Present	Absent	Absent	Absent		3	1	1
	Ramogale A.R.	Present	Present	Present	Present		4	0	0
TRANSFORMATION AND ADMINISTRATION									
	SURNAME & INITIALS	21 July 15	06 Oct 15	09 Feb16	19 April 16		Total = 4		
							ATTEND	APO	ABS
	Moremi M.L	Present	Present	Present	Present		4	0	0
	Kganyago L.C	Present	Present	Present	Present		4	0	0
	Manamela L.S	Apology	Present	Present	Present		3	1	0
	Manala S.I	Present	Absent	Absent	Absent		1	0	3
INFRASTRUCTURE DEVELOPMENT									
	SURNAME & INITIALS	14 July 15	07 Oct 15	10 Feb 16	20 April		Total = 4		
							ATTEND	APO	ABS
	Molekwa S.M	Present	Present	Present	Present		4	0	0
	Mojela N.G	Apology	Present	Present	Absent		3	1	0
	Basson A.F	Present	Present	Absent	Absent		2	1	3
	Ngwetjana L.N	Present	Present	Present	Present		4	0	0
	Monene R.N	Present	Present	Present	Present		4	0	0

PLANNING AND ECONOMIC DEVELOPMENT									
	SURNAME & INITIALS	16 July 15	07 Oct 15	16 Feb 16	21 April 16		Total = 4		
							ATTEND	APO	ABS
	Mosam Z.	Present	Present	Present	Present		4	0	0
	Manganyi M.E	Present	Present	Present	Present		4	0	0
	Kekana T.M	Present	Present	Absent	Present		3	0	1
	Kekana V.H	-	-	Present	Present		2	0	0
SOCIAL DEVELOPMENT									
	SURNAME & INITIALS	16 July 15	08 Oct 16	11 Feb 16	21 April 16		Total =4		
							ATTEND	APO	ABS
	Mhlanga B.S	Present	Present	Present	Absent		3	0	1
	Motlohoneng D.P	Present	Present	Present	Present		4	0	0
	Selokela M.J	Present	Present	Apology	Apology		2	1	1
	Masalesa F.M	Present	Absent	Present	Present		3	0	1
	Sekhu M.J	Present	Present	Present	Apology		4	1	0
	Taueatsoala R.R. (Kgoshigadi)	Present	Present	Present	Apology		3	1	0
COMMUNITY SERVICES									
	SURNAME & INITIALS	16 July 15	14 Oct 15	11 Feb 16	21 April 16		Total =4		
							ATTEND	APO	ABS
	Moeletsi R.Z	Present	Present	Present	Present		4	0	0
	Nyama M.P	Present	Present	Present	Present		4	1	2
	Mahlaela R.L	Present	Present	Present	Present		4	1	0
	Koadi G.B	Apology	Present	Present	Absent		2	1	1
	Mokonyane T.E	Absent	Present	Absent	Absent		1	0	3
SPECIAL PROJECTS									
	SURNAME & INITIALS	21 July 15	13 Oct 15	15 Feb 16	22 April 16		Total =4		
								APO	ABS

							ATTEND		
	Mogotsi M.M.A	Present	Present	Present	Present		4	0	0
	Sethoga N.M	Present	Present	Present	Present		4	0	0
	Monoa R.L.R	Present	Present	Present	Present		4	0	0
	Phokela M.D	Present	Present	Present	Present		4	0	0
	Kekana L.V. (Kgoshi)	Absent	Absent	Absent	Absent		0	0	4

APPENDIX B – COMMITTEES & COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Municipal Public Accounts Committee	Accountability and oversight role
Audit Committee	Auditing of financial and non-financial matters
Geographic Names	Changing of names of streets and public institutions
Public Participation	Ensure Public Involvement
Rules & Ethics	Ensure adherence to rule, ethics and legislation
Budget & Treasury	Ensure adherence to MFMA

APPENDIX C– THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Municipal Manager : S Mabotja
Budget & Treasury Office	Chief Financial Officer : G. Tloubatla
Infrastructure Development	Manager : N.R Makgata
Planning & Economic Development	Manager : L Sole
Social Development and Community Services	Manager : M. Mampa
Office of the Executive Mayor	Manager : P Makondo
Corporate Support & Shared Services	Manager: P.F Nogilana Raphela

APPENDIX D– FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	
Building regulations	No	
Child care facilities	No	
Electricity and gas reticulation	No	
Fire fighting services	Yes	
Local tourism	No	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	

Municipal public transport	Yes	
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	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	No	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	Yes	
Municipal parks and recreation	No	
Municipal roads	No	
Noise pollution	No	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX E-WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

APPENDIX F1- WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2013/14(Full List at Appendix N)				
No.	Project Name and detail	Start Date	End Date	Total Value R' 000
	Not applicable	Not applicable	Not applicable	R000

APPENDIX F2- BASIC SERVICE PROVISION

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	Not applicable	Not applicable	Not applicable	Not applicable	
Households without minimum service delivery	Not applicable	Not applicable	Not applicable	Not applicable	
Total Households*	Not applicable	Not applicable	Not applicable	Not applicable	
Houses completed in year					

APPENDIX F3- Top Four Service Delivery Priority in a Ward

APPENDIX F3 – Top Four Service Delivery Priorities for Ward (Highest Priority First)		
Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2011/13
	Not applicable	Not applicable
		T F.3

APPENDIX G- Recommendations of the Municipal Audit Committee 2015/16

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2015/16	Recommendations adopted (enter Yes); not adopted (provide explanation)
11 Jan 2016	Auditor-General SA action plan must be presented in the next audit committee meeting and also the progress on the implementation by management of the issues raised.	Adopted and Implemented
	Fast track the appointment of the Chief Financial Officer.	Adopted and Implemented
	The process to fill the vacant Audit Committee member position commences.	Adopted and Implemented
	The Audit Committee must finalise the Audit Committee annual report for 14.15 financial year to be included in the municipality annual report.	Adopted and Implemented
	The performance management report should include external service providers.	Adopted and Implemented
20 May 2016	Internal Audit Unit and affected managers to meet to discuss the development of maintenance plan for the municipality as raised by Internal Audit.	Adopted and Implemented
	The PMS office should provide the comments on the issue raised by Internal Audit regarding the delay in capital projects performance as it impacts the institutional performance.	Adopted and Implemented
20 Jun 2016	The Project Status Report should be updated regularly and narrative progress provided. Proper Service Provider evaluation on projects performed should be implemented. The lessons learned of the implementation should be in conjunction with the Supply Chain Policy.	Adopted and Implemented
	The audit project on MSCOA be included on the 2016/2017 Internal Audit operational plan.	Adopted and Implemented
	The Risk Officer must add the following items on the Agenda of Risk Management Committee meeting: • Performance Information Quarterly • Financial performance Quarterly • Assurance Providers • Follow up on Internal Audit findings	Adopted and Implemented

	- Follow up on AGSA findings - Recommendation register The process should be aligned with the submission dates to portfolio meetings and Council.	
15 Aug 2016	Project Status Report: The reasons for variance column should be taken into consideration and duly substantiated. The date paid column in the Project Status report should be updated with the last payments made in June 2016.	Adopted and Implemented
	Limpopo Treasury: the Risk Management Report, Implementation Report and Risk Register should be improved to reflect the work performed by municipality.	Adopted and Implemented

APPENDIX H – Long Term contracts and Public Private Partnership

ACTIVE LONG TERM CONTRACTS AS AT 30 JUNE 2016

#	Project Description	Date Awarded	Name of Service Provider/ Contractor	Duration of a contract	Project Completion date	Amount Awarded	Responsible department	Actual 14/15	Actual 15/16 Incl Vat	Actual 15/16 Excl Vat	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19
1	Provision of Travel and Accommodation Services	01-Nov-11	Batsumi Travel Pty Ltd	36 months	Jan-19	SCHEDULE	CSSS	384,694	654,347	573,989	4,929,497	4,534,600	4,815,745	5,099,874
2	Provision of Travel and Accommodation Services	01-Nov-11	Nhlamulo Hosi Investments	36 months	Jan-19	SCHEDULE	CSSS	459,798	690,995	606,136	4,929,497	4,534,600	4,815,745	5,099,874
3	Provision of Legal Services	22-Nov-11	Verveen Attorneys	36 months	Dec-15	SCHEDULE	CSSS	108,942	31,920	28,000	316,200	250,000	265,500	281,165
4	Provision of Legal Services	15-Dec-15	Mohale Incorporated	36 months	Jan-19	SCHEDULE	CSSS	108,942	83,148	72,937	316,200	250,000	265,500	281,165
5	Provision of Insurance services	01-Feb-13	AON Risk Services South Africa	36 months	Jun-16	SCHEDULE	CSSS	531,341	819,608	718,955	1,054,000	1,066,000	1,132,092	1,198,885

6	Provision of the banking services	25-Feb-15	ABSA Bank Ltd	60 months	Mar-20	SCHEDULE	BTO	60,536	88,925	78,005	70,695	83,000	88,146	93,347
7	Operating lease of the photocopying Machines	01-Mar-14	Palesa Technology - ceded to ABSA Technology Finance	36 months	Feb-17	SCHEDULE	CSSS	626,879	103,493	90,783	599,875	759,400	806,483	854,065
8	Provision of the Advertising Services	03-Dec-13	Ultimate Recruitment Solution	36 months	Dec-16	SCHEDULE	CSSS	411,346	444,611	390,010	251,539	199,200	211,550	224,032
9	Provision of the Security Services	01-Jul-12	Triotic Protection Services	36 months	Feb-16	1,651,812	CSSS	1,902,289	1,647,306	1,445,005	2,010,403	2,168,600	2,303,053	2,438,933
10	Provision of the Security Services	27-Nov-15	Leledu Security Services	36 months	Apr-19	5,427,035	CSSS	-	498,744	437,494		2,168,600	2,303,053	2,438,933
11	IFMS-Licensing, Support and Maintenance	07-Sep-11	Munsoft (Pty) Ltd	20 years	Aug-31	1,593,546	BTO	708,384	861,169	755,412	899,115	974,000	1,034,388	1,095,417
12	Implementation of Virtual Private Network	28-Jun-12	SITA	36 Months	Jun-15	4,640,667	CSSS	68,027	58,195	66,342	260,865	234,500	249,039	263,732
13	Production of Newsletter	09-Dec-13	Kgantsi Marketing Advertising and Promotions	36 Months	14-Dec-16	480,000	ES	200,000	160,000	160,000	120,000	-	-	-
14	Rural Road Asset Management System	16-Jul-13	Tshashu Consulting	36 Months	30-Jun-16	4,551,754	ID	1,560,526	-	-	1,839,000	1,897,000	1,992,000	2,133,000
15	Provision of VOIP services for telephone system for Mokopane EHP Office	14-Apr-14	Least Cost Communication t/a Callsave	36 months	14-Apr-17	129,901	CSSS	429,693	275,668	241,813	43,300	-	-	-

16	Extension of provision of VOIP services for telephone system to WDM Head Office	19-May-14	Least Cost Communication t/a Callsave	36 months	19-May-17	See #12	CSSS		12,112	10,625	-	-	-	-
17	Waterberg District Municipality Building Maintenance	14-May-15	M2M Projects and Sthembekile Farm and Project JV	36 months	21-May-18	SCHEDULE	ID	-	908,036.00	796,522.00	690,800.00	1,100,000	1,168,200	1,237,124
18	Waterberg District Municipality Building Maintenance	14-Apr-15	Seabi Distributors	36 months	25-May-18	SCHEDULE	ID	-	161,309.00	161,039.00	690,800.00	1,100,000	1,168,200	1,237,124
19	Appointment of Professional Consultants for Provision of Project Management Unit function on behalf of Infrastructure Department	13-Jul-15	SML Projects Pty LTD	36 months	26-Aug-17	SCHEDULE	ID	-	6,620,171	5,807,168	5,000,000.00	-	-	-

APPENDIX I –Municipal Entity/Service Provider Performance Schedule

2015/16 SERVICE PROVIDER PERFORMANCE REPORT AS AT 30 JUNE 2016

N O	Tender Number	IDP Project #	Project Description	Date Awarded	Service Provider/ Contractor	Amount Awarded (VAT Exclusive)	Dept	RATING	COMMENTS
1	WDM/2014/15-13	MIG	APPOINTMENT OF PROFESSIONAL CONSULTANTS FOR PROVISION OF PROJECT MANAGEMENT UNIT (PMU) FUNCTION ON BEHALF OF INFRASTRUCTURE DEVELOPMENT DEPARTMENT	13/07/2015	SML Projects (Pty) Ltd	11, 253.51 total unit rate	ID	3	the performance were not outstanding since there are roll over projects. The service providers was not monitored accordingly
2	WDM/2014/15-14	DWS	APPOINTMENT FOR PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 1 MWIG PROJECTS IN MODIMOLLE LOCAL MUNICIPALITY	24/06/2015	BIP CONSULTING ENGINEERS	900,953.63	ID	2	poor performance and the project was not completed in time
3	WDM/2014/15-15	DWS	APPOINTMENT FOR PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 2 MWIG PROJECTS IN MODIMOLLE LOCAL MUNICIPALITY	09/07/2015	TSHASHU CONSULTING AND PROJECT MANAGERS	976,069.07	ID	3	the performance moderate and meet the target
4	WDM/2014/15-16	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 3 MWIG PROJECTS IN MOOKGOPHONG LOCAL MUNICIPALITY	19/08/2015	TSHASHU CONSULTING AND PROJECT MANAGERS	682,817.72	ID	3	the performance moderate and meet the target

5	WDM/2014/15-17	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 4 MWIG PROJECTS IN MOOKGOPHONG LOCAL MUNICIPALITY	27/08/2016	KIPP CONSULTING ENGINEERS	932,156.14	ID	3	the performance moderate and meet the target
6	WDM/2014/15-19	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 6 MWIG PROJECTS IN THABAZIMBI LOCAL MUNICIPALITY	19/08/2015	BIP CONSULTING ENGINEERS	655,550.04	ID	2	poor performance and the project was not completed in time
7	WDM/2014/15-18	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 5 MWIG PROJECTS IN THABAZIMBI LOCAL MUNICIPALITY	13/11/2015	BIP CONSULTING ENGINEERS	703,632.03	ID	2	poor performance and the project was not completed in time
8	Limited bidding	MIG	ESTABLISHMENT OF LANDFILL SITE IN MODIMOLLE LM	13/11/2015	SPO CONSULTING CC	1,340,998.76	ID	3	the performance moderate and meet the target
9	Limited bidding	MC001 15126	COMPILATION OF 2014/15 ANNUAL FINANCIAL STATEMENTS AND AUDIT SUPPORT FOR WATERBERG DISTRICT MUNICIPALITY	15/07/2015	CHALANCO PROPERTIES TAFIINVEST FINANCIAL SOLUTIONS CC	455,000.00	BTO	Successful	14/15 AFS were submitted timeously to all stakeholders (AG, NT, PT and COGHSTA) and the appointed consultant gave support to the institution throughout the audit.
10	Limited bidding		INSTALLATION OF TELEPHONE SYSTEM FOR LEPHALALE FIRE STATION	18-Jan-16	LEAST COST COMMUNICATION TACALLSAVE	103,373.05	CSSS	4	Minor issue that is currently being resolved
11	COFUNDING	U-E40	COFUNDING OF WATERBERG BIOSPHERE RESERVE	13/11/2015	WATERBERG BIOSPHERE RESERVE	151,666.00	PED	4	delivered according to their business plan
12	WDM/2015/16-05	MIG	Leseding Paving of streets ext 1&2	30/11/2015	Baybol general trading and EMDA construction JV	4,550,000.00	ID	4	performance was Successful

13	WDM/2015/16-02	EPWP	CONSTRUCTION OF VIP SANITATION AT MOSOGE VILLAGE	15/12/2015	SOPHY AND JACK SHOP TRAINING AND CIVIL CONSTRUCTION PTY LTD	815,584.84	ID	4	performance was Successful
14	WDM/2015/16-03	IN021	SUPPLY AND DELIVERY OF MICROSOFT SERVER LICENCES	30/11/2015	JUSTNET SOLUTIONS	288,946.70	CSSS	5	No issues
15	WDM/2015/16-04	MIG	Phagameng streets & storm water-ward 6	13/11/2015	Mafafo Building Construction	6,280,686.00	ID	4	performance was Successful
16	WDM/2015/16-01	MIG	Development of ward 7 park (Masakeng street)	13/11/2015	Mafafo Building Construction	733,314.00	ID	4	performance was Successful
17	WDM/2014/15-16	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 3 MWIG PROJECTS IN MOOKGOPHONG LOCAL MUNICIPALITY - CONSTRUCTION	22/01/2016	NGUNGWA DEVELOPMENT CC	3,599,096.97	ID	3	performance was moderate
Mookgophong: Install valves, PVRs and chambers in existing network							ID		
Roedtan: Drill. Equip additional borehole and upgrade network							ID		
18	WDM/2014/15-15	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 2 MWIG PROJECTS IN MODIMOLLE LOCAL MUNICIPALITY	22/01/2016	SYDWELL SHABANGU PROJECTS	3,437,130.29	ID	2	the contractor did not perform well and they were unable to meet target on time
Mabatlane Ext 3: Install skeleton network for 600 erven							ID		
Mabaleng: Storage 1.5Ml pressure tower							ID		
Modimolle town: Replace asbestos pipes							ID		
19	WDM/2014/15-17	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 4 MWIG PROJECTS IN MOOKGOPO NG LOCAL MUNICIPALITY	17/12/2015	MASHAIPONE GENERAL CONSTRUCTION	2,412,280.71	ID	3	the contract was terminated before completion due to duplication of projects, however the contractor was unable to meet targets
Mookgophong: Replace 5x pumps and rehabilitate Nyl Reservoir							ID		

Mookgopong Drill and equip 4x5 boreholes							ID		
20	WDM/2014/15-14	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 1 MWIG PROJECTS IN MODIMOLLE LOCAL MUNICIPALITY	15/12/2015	UNITY CONSTRUCTION	3,383,141.75	ID	2	poor performance and the project was not completed in time
MABATLANE EXT 6 INSTALL SKELETON NETWORK FOR 300 ERVEN							ID		
PHAGAMENG EXT 13 INSTALL SKELETON NETWORK FOR 1300 ERVEN							ID		
MABATLANE DRILL TEST AND EQUIP BOREHOLE							ID		
21	WDM/2014/15-19	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 6 MWIG PROJECTS IN THABAZIMBI LOCAL MUNICIPALITY	15/12/2015	UNITY CONSTRUCTION	3,368,216.63	ID	2	poor performance and the project was not completed in time
DEVELOPMENT OF GROUND WATER FOR THABAZIMBI AND REGOROGILE							ID		
SCHILPADNEST SMACHERSBLOCK WATER SUPPLY							ID		
22	WDM/2014/15-08	03/15150	PROVISION OF LEGAL SERVICES	15/12/2015	MOHALE INCORPORATED	14955 PER UNIT RATE	CSSS	5	none
23	WDM/2014/15-20	003/015170, 003/015203, 008/015170	PROVISION OF SECURITY SERVICES	26/11/2015	LELEDU SECURITY SERVICES	5,427,034.70	CSSS	5	none
24	MIG/LP1224/5/11/13	MIG	THE UPGRADING OF THABAZIMBI WASTE WATER TREATMENT WORKS	16-May-16	QUANTIBUILD PTY LTD	64,234,784.55	ID	4	the contractor is performing very well
25	MIG/LP1224/5/11/13	MIG	THE UPGRADING OF THABAZIMBI WASTE WATER TREATMENT WORKS	16-May-16	AEROCON SOUTH AFICA PTY LTD	4,765,215.45	ID	4	the service providers is performing very well
26	WDM/2014/15-18	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 5 MWIG PROJECTS IN THABAZIMBI LOCAL MUNICIPALITY	08/04/2016	UNITY CONSTRUCTION	1,500,860.40	ID	2	poor performance and the project was not completed in time
Development of water supply for Raphuti / Leeuport							ID		

TOTAL					111,698,509.43			
--------------	--	--	--	--	-----------------------	--	--	--

APPENDIX J- Disclosure of Financial interest

WDM DECLARATION OF FINANCIAL INTEREST FOR 2015/16

OFFICIALS

No.	Title	Officials Name		Designation	Company Name
1	Mr	Siebe	Phathutshedzo	Divisional Manager Development Planning	Rirothe Planning Consulting
2	Mr	Mabotja	Mpheta Samuel	Municipal Manager	Lerato-rato Business Enterprise
3	Mr	Kgosana	Madumetja	EHP	Enviro Ndia Setrvices
4	Mr	Seshoka	Maomela Jack	Technician	Maomela Trading Enterprise
6	Mr	Ngobeni	Joseph	Sports Officer	Roxanne Business Enterprise
7	Mr	Mello	Lesibana Comfort	CSSS- Secretary	Rise Now Trading 28
8	Ms	Makgobela	Ketlana Julia	Divisional Manager Supply Chain Management	Kgobie Construction
					Kgobase Investments
9	Mr	Morema	Mahlatse Ebdan	Risk Officer	Occupational Safety and Health Hazard
					MmaJoyce Catering and Supply
11	Ms	Konaite	Lindy Lebogang	Internal Audit Intern	Asebabhaneni General Trading
					Pitjeng Lebsa General Trading
12	Ms	Phasha	Letty Mummy	Control Room Operator	NHZM Holdings
13	Mr	Tsebe	Sesheke Keakile Benjamin	Control Room Operator	Thandolwethu Limpopo Enterprise
14	Ms	Ntshangase	Tebogo	Committee Officer	Moreleba Agricultural Cooperative

					Transakisie Trading
					Lexion Networks Enterprise
15	Ms	Legodi	Raisibe Martha	PA-Speaker	Morwamogolo Constructions and Projects CC
16	Mr	Sole	Leonard	Manager: Planning and Economic Development	Waterberg Economic Development Agency
					Ndabi and Rakgadi Trading
17	Ms	Lekalakala	Makgoba Paulina	Receptionist	Nkome Farming and Projects
18	Mr	Tloubatla	Letseka Gladwin	CFO	LKT Logistics (PTY) LTD
19	Ms	Macheke	Ramadimetja Ivy	Environmental Health Practitioner	Joteko Business and Enterprise
20	Ms	Nogilana-Raphela	Patricia Feziwe	Manager: CSSS	Lubalalo Bricks Development and Business Projects

COUNCILORS

No.	Title	Councilor Name		Designation	Company Name
1	Mr	Ngwetjana	Lesiba Simon	Councilor	Verstoteling Business Enterprise
2	Ms	Moremi	Manameng Lettie	Councilor	Gladshore Trading and Projects(Spouse)
					Ano Lephalale Filtration(Spouse)
					Mzansi Sihlangene trading Projects (PTY) LTD
3	Ms	Mogotsi	Mankgobo Amanda Meriam	Councilor	Tribal Zone Trading 564
					Batlhopiwa Projects
4	Mr	Mhlanga	Sipho Bradly	Councilor	Exabuzz CC
5	Mr	Moeletsi	Zacharia Rankadimeng	Councilor	Belabela Image Consultants
					Walk Together Trading 4
					ZCN Specialists

					BB Atlanta Kids Football Club
					Belabela Branding Initiative
					Bornfree Investment 180
					Bushveld Communication and Training Network
					Conie Projects
					Dibatho Business Consultants
					Izintobizodwa Research and Development Consultants
					Onexone Group Supplier
					Sepampie Consortium
					Umdlali Upliftment and Services
					Vula Security Services
					Deco Fibre Glass Manufacturing
					Nice Treat Tourism and Projects 4
6	Mr	Basson	Andries Francois	Councilor	EXXARO
7	Mr	Mosaam	Zunaid	Councilor	Limpopo Independent Media
8	Mr	Ngwetjana	Lesiba Nelson	Ward Councilor	Ditau Verstoteling Café
9	Ms	Mojela	Nomaliza Gladys	Councilor	Meta-Ntwane Construction

APPENDIX K- Revenue Collection Performance By Vote and By Source

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K (ii) – Revenue Collection Performance By Source

APPENDIX L – Conditional Grants Received: Excluding MIG

	2016	2015
21. Government grants and subsidies		
Operating grants		
Equitable share	111,232,000	99,036,000
LG SETA Grant	-	32,026
Municipal Infrastructure Grant (PMU)	5,000,000	-
Rural Road Asset Management Grant	1,839,000	1,779,000
LEDET Biosphere Grant	151,622	147,667
Municipal Systems Improvement Grant	940,000	840,551
Finance Management Grant	1,250,000	1,250,000
Expanded Public Works Incentive Grant	1,000,000	1,000,000
Mayor's Golf Day Grant	45,550	-
Tourism Grant	243,340	-
	121,701,512	104,085,244

APPENDIX M- Capital Expenditure – New & Upgrade/ Renewal Programmes

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

See attached AFS 2015/16 Audited

APPENDIX M – Capital Expenditure – New Assets Programme

APPENDIX M (ii): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

See attached 2015/16 Audited AFS

APPENDIX N –Capital Programme by Project 2015/16

NO	Tender Number	IDP Project #	Project Description	Date Awarded	Service Provider/ Contractor	Amount Awarded (VAT Exclusive)	Dept
1	WDM/2014/15-13	MIG	APPOINTMENT OF PROFESSIONAL CONSULTANTS FOR PROVISION OF PROJECT MANAGEMENT UNIT (PMU) FUNCTION ON BEHALF OF INFRASTRUCTURE DEVELOPMENT DEPARTMENT	13/07/2015	SML Projects (Pty) Ltd	11, 253.51 total unit rate	ID
2	WDM/2014/15-14	DWS	APPOINTMENT FOR PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 1 MWIG PROJECTS IN MODIMOLLE LOCAL MUNICIPALITY	24/06/2015	BIP CONSULTING ENGINEERS	900,953.63	ID
3	WDM/2014/15-15	DWS	APPOINTMENT FOR PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 2 MWIG PROJECTS IN MODIMOLLE LOCAL MUNICIPALITY	09/07/2015	TSHASHU CONSULTING AND PROJECT MANAGERS	976,069.07	ID
4	WDM/2014/15-16	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 3 MWIG PROJECTS IN MOOKGOPHONG LOCAL MUNICIPALITY	19/08/2015	TSHASHU CONSULTING AND PROJECT MANAGERS	682,817.72	ID
5	WDM/2014/15-17	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 4 MWIG PROJECTS IN MOOKGOPHONG LOCAL MUNICIPALITY	27/08/2016	KIPP CONSULTING ENGINEERS	932,156.14	ID
6	WDM/2014/15-19	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 6 MWIG PROJECTS IN THABAZIMBI LOCAL MUNICIPALITY	19/08/2015	BIP CONSULTING ENGINEERS	655,550.04	ID
7	WDM/2014/15-18	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 5 MWIG PROJECTS IN THABAZIMBI LOCAL MUNICIPALITY	13/11/2015	BIP CONSULTING ENGINEERS	703,632.03	ID

8	Limited bidding	MIG	ESTABLISHMENT OF LANDFILL SITE IN MODIMOLLE LM	13/11/2015	SPO CONSULTING CC	1,340,998.76	ID
9	Limited bidding	MC001 15126	COMPILATION OF 2014/15 ANNUAL FINANCIAL STATEMENTS AND AUDIT SUPPORT FOR WATERBERG DISTRICT MUNICIPALITY	15/07/2015	CHALANCO PROPERTIES TA FIINVEST FINANCIAL SOLUTIONS CC	455,000.00	BTO
10	Limited bidding		INSTALATION OF TELEPHONE SYSTEM FOR LEPHALALE FIRE STATION	18-Jan-16	LEAST COST COMMUNICATION TA CALLSAVE	103,373.05	CSSS
11	COFUNDING	U-E40	COFUNDING OF WATERBERG BIOSPHERE RESERVE	13/11/2015	WATERBERG BIOSPHERE RESERVE	151,666.00	PED
12	WDM/2015/16-05	MIG	Leseding Paving of streets ext 1&2	30/11/2015	Baybol general trading and EMDA construction JV	4,550,000.00	ID
13	WDM/2015/16-02	EPWP	CONSTRUCTION OF VIP SANITATION AT MOSOGE VILLAGE	15/12/2015	SOPHY AND JACK SHOP TRAINING AND CIVIL CONSTRUCTION PTY LTD	815,584.84	ID
14	WDM/2015/16-03	IN021	SUPPLY AND DELIVERY OF MICROSOFT SERVER LICENCES	30/11/2015	JUSTNET SOLUTIONS	288,946.70	CSSS
15	WDM/2015/16-04	MIG	Phagameng streets & storm water-ward 6	13/11/2015	Mafafo Building Construction	6,280,686.00	ID
16	WDM/2015/16-01	MIG	Development of ward 7 park (Masakeng street)	13/11/2015	Mafafo Building Construction	733,314.00	ID
17	WDM/2014/15-16	DWS	PLANNING, DESIGN AND CONSTRUCTION OF CLUSTER 3 MWIG PROJECTS IN MOOKGOPHONG LOCAL MUNICIPALITY - CONSTRUCTION	22/01/2016	NGUNGWA DEVELOPMENT CC	3,599,096.97	ID

APPENDIX O - Capital Project by Ward 2015/16

Capital Programme by Project by Ward 2015/16			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Water	N/A		
"Project A"	N/A		
"Project B"	N/A		
Sanitation/Sewerage	N/A		
Electricity	N/A		
Housing	N/A		
Refuse removal	N/A		
Stormwater	N/A		
Economic development	N/A		
Sports, Arts & Culture	N/A		
Environment	N/A		
Health	N/A		
Safety and Security	N/A		
ICT and Other	N/A		

APPENDIX P – Services Connection Backlogs at schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Not pallicable	NA	NA	NA	NA
Clinics (NAMES, LOCATIONS)				
Not applicable	NA	NA	NA	NA
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

APPENDIX Q – Service Backlogs Experienced by the Community where another Sphere of Government is responsible for Service Provision

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	N/A	
Housing:		
Licencing and Testing Centre:	N/A	
Reseviors		
Schools (Primary and High):	N/A	
Sports Fields:	N/A	
		T Q

APPENDIX R –Declaration of Loan and Grants made by the Municipality

Declaration of Loans and Grants made by the municipality 2015/16				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2014/15 R' 000	Total Amount committed over previous and future years
None	None	None	None	None
* Loans/Grants - whether in cash or in kind				T R

APPENDIX S – Declaration of Return not made in Due Time under MFMA s71

APPENDIX T Presidential outcome for local Government

APPENDIX U - Audited Annual Financial Statements 2015/2016

CONTENTS	PAGE(s)
GENERAL INFORMATION	1-4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF FINANCIAL PERFORMANCE	6
STATEMENT OF CHANGES IN NET ASSETS	7
CASH FLOW STATEMENT	8
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	9-10
TABLE A1 BUDGET SUMMARY	11
TABLE A2 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)	12
TABLE A3 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)	13
TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)	14
TABLE A5 BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING	15
TABLE A6 BUDGETED FINANCIAL POSITION	16
TABLE A7 BUDGETED CASH FLOWS	17
ACCOUNTING POLICIES	18-32
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	33 – 70

Members of Council

Executive Mayor	N.R Mogotlane
Speaker	K.S Lamola
Chief Whip	N.S Morumudi
Mayoral Committee member	T.A Mashamaite
Mayoral Committee member	S.M Molekwa
Mayoral Committee member	Z Mozam
Mayoral Committee member	B.S Mhlanga
Mayoral Committee member	R.Z Moeletsi
Mayoral Committee member	M.L Moremi
MPAC Chairperson	L.C Kganyago
Councillor	A.F Basson
Councillor	T.M Kekana
Councillor	V.H Kekana
Councillor	G.B Koadi
Councillor	M.N Langa
Councillor	L.J Lebelo
Councillor	P.M Mahlangu
Councillor	R.L Mahlela
Councillor	S.I Manala
Councillor	L.S Manamela
Councillor	M.E Manganyi
Councillor	F.M Masalesa
Councillor	M.M.A Mogotsi
Councillor	N.G Mojela
Councillor	R.N Monene
Councillor	T.E Mokgonyane
Councillor	R.L.R Monoa
Councillor	D.P Motlohoneng
Councillor	L.N Ngwetjana
Councillor	M.P Nyamah
Councillor	M.D Phokela
Councillor	A.R Ramogale
Councillor	P.A Scruton
Councillor	M.J Sekhu
Councillor	M.J Selokela

Grading of district municipality	Grade 4
Chief Finance Officer (CFO)	L.G Tloubatla
Accounting Officer	M.S Mabotja
Business address	42 Harry Gwala Street Modimolle Limpopo 0510
Postal address	Private Bag X1018 Modimolle Limpopo 0510

	Note(s)	2016	2015
Assets			
Current Assets			
Cash and cash equivalents	3	136,214,004	83,059,082
Trade and other receivables from exchange transactions	4	8,256	14,919
Receivables from non-exchange transactions	5	776,848	1,124,684
Inventories	6	83,097	117,835
Held-to-maturity investments	7	30,116,436	31,176,088
VAT receivable	8	4,140,862	679,004
		171,339,503	116,171,612
Non-Current Assets			
Property, plant and equipment	9	59,120,292	61,237,873
Intangible assets	10	2,224,484	2,122,980
Non-current receivables	11	54,775	54,775
		61,399,551	63,415,628
Total Assets		232,739,054	179,587,240
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	12	3,876,476	3,253,510
Other payables from non-exchange transactions	13	8,576,368	7,557,323
Consumer deposits	14	2,000	600
Provisions	15	165,476	165,476
Unspent conditional grants and receipts	16	60,206,456	18,147,449
Employee benefit obligation	17	549,924	480,912
Current portion of long service awards liability	18	643,676	240,759
		74,020,376	29,846,029
Non-Current Liabilities			
Employee benefit obligation	17	22,501,171	21,247,104
Long service awards liability	18	2,219,859	2,279,741
		24,721,030	23,526,845

	98,741,406	53,372,874
Net Assets	133,997,648	126,214,366
Accumulated surplus	133,997,648	126,214,369

	Note(s)	2016	2015
Revenue			
Revenue from exchange transactions			
Service charges		1,255,604	1,988,914
Interest earned - External investments	19	10,382,263	7,183,234
Interest earned - Receivables	19	31,665	121
Other income	20	128,651	482,204
Total revenue from exchange transactions		11,798,183	9,654,473
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	21	147,813,891	104,085,244
Public contributions and donations	22	50,000	71,778
Total revenue from non-exchange transactions		147,863,891	104,157,022
Total revenue		159,662,074	113,811,495
Expenditure			
Employee related costs	23	(64,616,463)	(59,513,386)
Remuneration of councillors	24	(6,717,206)	(6,346,779)
Post-retirement health care expenditure		(1,931,653)	(4,735,274)
Long-service award expenditure		(568,768)	(620,879)
Depreciation and amortisation	25	(6,010,996)	(5,358,538)
Impairment loss/ Reversal of impairments	26	(164,918)	(1,656,260)
Repairs and maintenance		(1,442,300)	(778,277)
Contracted services	27	(15,703,090)	(14,288,994)
Project expenditure	29	(36,119,517)	(8,927,175)
General Expenses	28	(18,603,884)	(18,599,282)
Total expenditure		(151,878,795)	(120,824,844)
Loss on disposal of assets		-	(407,273)
Surplus (deficit) for the year		7,783,279	(7,420,622)

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Balance at 01 July 2014	133,634,990	133,634,990
Net Surplus / (Deficit) previously reported	(7,453,199)	(7,453,199)
Effects of Prior year corrections - Note 39	32,578	32,578
Net Surplus (Deficit) for the year	(7,420,621)	(7,420,621)
*Restated Balance at 01 July 2015	126,214,369	126,214,369
Net Surplus / (Deficit) for the year	7,783,279	7,783,279
Balance at 30 June 2016	133,997,648	133,997,648

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
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Services charges	2,033,500	(300,000)	1,733,500	1,255,604	(477,896)	
Other income	24,000	-	24,000	128,651	104,651	
Interest earned - Investments	5,230,000	-	5,230,000	10,382,263	5,152,263	
Interest earned - Other	50	50	100	31,665	31,565	
Total revenue from exchange transactions	7,287,550	(299,950)	6,987,600	11,798,183	4,810,583	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	146,381,000	29,172,000	175,553,000	147,813,891	(27,739,109)	
Public contributions and donations	-	-	-	50,000	50,000	
Total revenue from non-exchange transactions	146,381,000	29,172,000	175,553,000	147,863,891	(27,689,109)	
	153,668,550	28,872,050	182,540,600	159,662,074	(22,878,526)	
	(70,295,926)	(483,414)	(70,779,340)	(64,616,463)	6,162,877	
	(6,807,500)	-	(6,807,500)	(6,717,206)	90,294	
	(3,739,400)	(35,080)	(3,774,480)	(1,931,653)	1,842,827	
	(7,423,300)	(120,000)	(7,543,300)	(6,010,996)	1,532,304	
	-	-	-	(164,918)	(164,918)	
	(1,661,600)	(320,000)	(1,981,600)	(1,442,300)	539,300	
	(643,200)	-	(643,200)	(568,768)	74,432	
	(15,817,220)	1,350,800	(14,466,420)	(15,703,090)	(1,236,670)	
	(34,289,000)	(62,540,372)	(96,829,372)	(36,119,517)	60,709,855	
	(21,945,574)	(1,171,686)	(23,117,260)	(18,603,884)	4,513,376	
	(162,622,720)	(63,319,752)	(225,942,472)	(151,878,795)	74,063,677	
	(8,954,170)	(34,447,702)	(43,401,872)	7,783,279	51,185,151	
	(20,000)	-	(20,000)	-	20,000	
	(8,974,170)	(34,447,702)	(43,421,872)	7,783,279	51,205,151	
	(8,974,170)	(34,447,702)	(43,421,872)	7,783,279	51,205,151	

Total revenue

Expenditure

Employee related costs Remuneration of councillors

Post-retirement health care expenditure

Depreciation and amortisation

Impairment loss/ Reversal of impairments

Repairs and maintenance Long-service award expenditure Contracted Services

Transfers and Subsidies General Expenses

Total expenditure

Operating surplus

Gain on disposal of assets and liabilities

Surplus before taxation

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement

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
Statement of Financial Position						
Assets						
Current Assets						
Inventories	100,000	-	100,000	83,097	(16,903)	
Held-to-maturity investments	62,337,600	(4,543,600)	57,794,000	30,116,436	(27,677,564)	
Receivables from non-exchange transactions	765,000	-	765,000	776,848	11,848	
VAT receivable	1,020,400	-	1,020,400	4,140,862	3,120,462	
Consumer debtors	30,000	-	30,000	8,256	(21,744)	
Cash and cash equivalents	5,005,200	-	5,005,200	136,214,004	131,208,804	
	69,258,200	(4,543,600)	64,714,600	171,339,503	106,624,903	
Non-Current Assets						
Property, plant and equipment	54,771,900	-	54,771,900	59,120,292	4,348,392	
Intangible assets	1,880,200	-	1,880,200	2,224,484	344,284	
Non-current receivables	54,800	-	54,800	54,775	(25)	
	56,706,900	-	56,706,900	61,399,551	4,692,651	
Total Assets	125,965,100	(4,543,600)	121,421,500	232,739,054	111,317,554	
Liabilities						
Current Liabilities						
Trade and other payables from exchange transactions	-	-	-	3,876,476	3,876,476	
Taxes and transfers payable (non-exchange)	10,260,100	-	10,260,100	8,576,368	(1,683,732)	
Consumer deposits	1,600	-	1,600	2,000	400	
Employee benefit obligation	523,400	-	523,400	549,924	26,524	
Unspent conditional grants and receipts	-	29,012,372	29,012,372	60,206,456	31,194,084	
Provisions	1,111,100	(178,200)	932,900	165,476	(767,424)	
Current portion of long service awards liability	291,100	-	291,100	643,676	352,576	
	12,187,300	28,834,172	41,021,472	74,020,376	32,998,904	
Non-Current Liabilities						
Employee benefit obligation	19,526,100	-	19,526,100	22,501,171	2,975,071	
Long service awards liability	3,060,900	-	3,060,900	2,219,858	(841,042)	
	22,587,000	-	22,587,000	24,721,029	2,134,029	
Total Liabilities	34,774,300	28,834,172	63,608,472	98,741,405	35,132,933	
Net Assets	91,190,800	(33,377,772)	57,813,028	133,997,649	76,184,621	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	91,190,800	(33,377,772)	57,813,028	133,997,648	76,184,620	

Cash Flow Statement

	Note(s)	2016	2015
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,262,267	630,845
Grants		210,214,349	121,795,824
Interest income - Investments		10,382,263	7,183,355
Interest income - receivables		31,665	-
Other receipts		178,650	446,159
VAT receipts		2,451,432	-
		<u>224,520,626</u>	<u>130,056,183</u>
Payments			
Employee costs		(71,333,669)	(66,258,578)
Suppliers		(20,046,184)	(13,139,830)
Other payments for VAT		(6,595,053)	2,190,038
Project expenditure		(33,621,444)	(8,947,241)
Thabazimbi project expenditure		(20,341,451)	-
Contracted services		(15,703,090)	(13,008,670)
Other payments		(789,549)	(5,064,859)
		<u>(168,430,440)</u>	<u>(104,229,140)</u>
Net cash flows from operating activities	31	<u>56,090,186</u>	<u>25,827,043</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(3,705,972)	(2,833,400)
Proceeds from sale of property, plant and equipment	9	-	496,450
Purchase of other intangible assets	10	(288,946)	(73,505)
Proceeds from sale of financial assets		-	301,828
Net cash flows from investing activities		<u>(3,994,918)</u>	<u>(2,108,627)</u>
Cash flows from financing activities			
Decrease/(Increase) in Held-to-maturity investments		1,059,654	(3,095,426)
Net cash flows from financing activities		<u>1,059,654</u>	<u>(3,095,426)</u>
Net increase/(decrease) in cash and cash equivalents		53,154,922	20,622,990
Cash and cash equivalents at the beginning of the year		83,059,082	62,436,092
Cash and cash equivalents at the end of the year	3	<u>136,214,004</u>	<u>83,059,082</u>

Accounting Policies

1. Presentation of 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.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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 financial statements, are disclosed below.

These accounting policies are consistent with the previous period, unless explicitly stated.

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 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus 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, held to maturity investments and loans and 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.

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 assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

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 15 - Provisions.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high- quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.

Allowance for doubtful debts

For receivables 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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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. The municipality has no assets of cultural, environmental or historical significance and therefore no heritage assets.

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on cost minus the residual value, using the straight line basis over their expected useful lives to their estimated residual value. Land, heritage assets and artwork are not depreciated as it is deemed to have an indefinite useful life.

Subsequent to initial recognition, items of Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is capitalised when it increases the capacity of future economic benefits associated with the asset.

Accounting Policies

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings and facilities	Straight line	10 to 60
Plant and equipment	Straight line	5 to 25
Furniture and fixtures	Straight line	5 to 37
Motor vehicles	Straight line	3 to 15
Office equipment	Straight line	4 to 36
IT equipment	Straight line	4 to 10
Emergency equipment	Straight line	5 to 10
Specialised vehicles	Straight line	5 to 16

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.

1.5 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.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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 subsequently carried at cost less any accumulated amortisation and any impairment losses

Accounting Policies

1.5 Intangible assets (continued)

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.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	4 to 40 years

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).

1.6 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - held for trading
- Held-to-maturity investment
- Loans and receivables
- Financial liabilities at fair value through surplus or deficit - held for trading

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit dividends or similar distributions and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Accounting Policies

1.6 Financial instruments (continued)

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Amounts that are payable within 12 months from the reporting date are classified as current. The carrying amount of trade and other payables is a reasonable approximation of fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including petty cash) and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

The credit risk disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity, these include investments held as fixed deposits and short term deposits invested in registered commercial banks.

Impairment of financial assets

The municipality assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Assets are carried at amortised cost.

If there is objective evidence that an impairment loss on loans and receivables carried 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 (i.e. the effective interest rate computed at initial recognition). The amount of the loss shall be recognised in surplus or deficit.

1.7 Statutory receivables

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest.

Accounting Policies

1.8 Leases (continued)

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease. The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease installments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The average payments over the period of the lease are expensed and any difference between the average and actual payment is disclosed as a debtor or creditor in the Statement of Financial Position.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the effect of item 1 & 2 above on accumulated surplus.

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.

1.9 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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

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.

Accounting Policies

1.9 Inventories (continued)

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.

The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.10 Impairment of 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.

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 amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

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 cash-generating assets from non-cash-generating assets are as follow:

1.11 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.

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

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.

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]

1.12 Employee benefits

Short-term employee benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non-monetary benefits, bonuses and annual leave obliged to be settled within 12 months of the reporting date, are recognized in other payables or provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognized when the leave is taken and measured at the rates paid or payable.

The liability for long service leave for which settlement can be deferred beyond 12 months from the reporting date is recognized in the non-current liability for employee benefits and measured as the present value of expected future payment to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry- managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.12 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The cost of providing health care is charged to the income statement so as to recognize current and past service costs, interest cost on defined benefit obligations, and the effect of any curtailments of settlements, net of expected returns on plan assets. Actuarial gains and losses are recognized in full directly in the statement of financial performance. Additional benefits are expensed as past service cost in the period in which the benefit is granted to the extent that it is not covered by a surplus to contributions funded by the municipality. The municipality has no plan assets. A liability is consequently recognized in the statement of financial position based on the present value of defined benefit obligations, less any unrecognized past service costs.

1.13 Provisions and contingencies

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.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Accounting Policies

1.13 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

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.

Contingent assets and contingent liabilities are not recognised. 37.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

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-cancellable or only cancellable 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.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

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.

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met, to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 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 the effect of item 1 & 2 above on accumulated surplus 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 the effect of item 1 & 2 above on accumulated surplus.

The recovery of unauthorised expenditure is based on legislated procedures, and is recognized when the recovery thereof from the responsible officials is probable. The recovery of unauthorised expenditure is treated as other income

Accounting Policies

1.19 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 the effect of item 1 & 2 above on accumulated surplus 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 the effect of item 1 & 2 above on accumulated surplus.

The recovery of fruitless and wasteful expenditure is based on legislated procedures, and is recognized when the recovery thereof from the responsible officials is probable. The recovery of fruitless and wasteful expenditure is treated as other income.

1.20 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 The effect of Item 1 & 2 above on Accumulated surplus and where recovered, it is subsequently accounted for as revenue in the The effect of Item 1 & 2 above on Accumulated surplus.

The recovery of irregular expenditure is based on legislated procedures, and is recognized when the recovery thereof from the responsible officials is probable. The recovery of irregular expenditure is treated as other income.

1.21 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2015 to 30/06/2016.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the financial statements as the recommended disclosure when the financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.22 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 local 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.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

Accounting Policies

1.23 Events after reporting date (continued)

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements

Notes to the Financial Statements

2016

2015

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 105: Transfers of Functions Between Entities Under Common Control

The objective of this standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

A transfer of functions between entities under common control is a reorganisation and / or reallocation of functions between entities that are ultimately controlled by the same entity before and after a transfer of functions. In the event of a transfer of functions between entities under common control, the assets and liabilities should be recognised (by the acquirer) at their carrying amounts and should be derecognised (by the transferor) at their carrying amounts.

The difference between the amount of consideration paid or received, if any, and the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 financial statements.

The impact of the standard is not material.

GRAP 106: Transfers of Functions Between Entities not Under Common Control

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions. In the event of a transfer of functions between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values.

The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus / (deficit).

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 financial statements.

The impact of the standard is not material.

2. New standards and interpretations (continued)

GRAP 107: Mergers

The objective of this standard is to establish accounting principles for the combined entity and combining entities in a merger.

A merger is where a new combined entity is started, acquirer can be identified and the combining entities do not have any control over the combined entity. In the event of a merger, the assets and liabilities should be recognised (by the combined entity) at their carrying amounts and should be derecognised (by the combining entities) at their carrying amounts.

The difference between the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 financial statements.

The impact of the standard is not material.

IGRAP 11: Consolidation - Special purpose entities

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their management over the operations of the SPE. Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (ie they operate on so-called 'autopilot'). The sponsor (or entity on whose behalf the SPE was created) frequently transfers assets to the SPE, obtains the right to use assets held by the SPE or performs services for the SPE, while other parties ('capital providers') may provide the funding to the SPE. An entity that engages in transactions with an SPE (frequently the creator or sponsor) may in substance control the SPE. A beneficial interest in an SPE may, for example, take the form of a debt instrument, an equity instrument, a participation right, a residual interest or a lease. Some beneficial interests may simply provide the holder with a fixed or stated rate of return, while others give the holder rights or access to other future economic benefits or service potential of the SPE's activities. In most cases, the creator or sponsor (or the entity on whose behalf the SPE was created) retains a significant beneficial interest in the SPE's activities, even though it may own little or none of the SPE's net assets.

The Standard of GRAP on Consolidated and Separate Financial Statements requires the consolidation of entities that are controlled by the reporting entity. However, the Standard of GRAP does not provide explicit guidance on the consolidation of SPEs. The issue is under what circumstances an entity should consolidate an SPE. This interpretation of the Standards of GRAP does not apply to post -employment benefit plans or other long-term employee benefit plans to which the Standard of GRAP on Employee Benefits applies.

A transfer of assets from an entity to an SPE may qualify as a sale by that entity. Even if the transfer does qualify as a sale, the provisions of the Standard of GRAP on Consolidated and Separate Financial Statements and this Interpretation of the Standards of GRAP may mean that the entity should consolidate the SPE. This Interpretation of the Standards of GRAP does not address the circumstances in which sale treatment should apply for the entity or the elimination of the consequences of such a sale upon consolidation.

The effective date of the interpretation is for years beginning on or after 01 April 2015.

The municipality has adopted the interpretation for the first time in the 2016 financial statements.

The impact of the interpretation is not material.

2. New standards and interpretations (continued)

Paragraph .54 in the Standard of GRAP on Interests in Joint Ventures refers to both contributions and sales between a venturer and a joint venture as follows: 'When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction'. In addition, paragraph 31 in the Standard of GRAP on Interests in Joint Ventures says that 'a jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest'. There is no explicit guidance on the recognition of gains and losses resulting from contributions of non-monetary assets to jointly controlled entities ('JCEs').

Contributions to a JCE are transfers of assets by venturers in exchange for an interest in the net asset in the JCE. Such contributions may take various forms. Contributions may be made simultaneously by the venturers either upon establishing the JCE or subsequently. The consideration received by the venturer(s) in exchange for assets contributed to the JCE may also include cash or other consideration that does not depend on future cash flows of the JCE ('additional consideration').

The issues are:

- when the appropriate portion of gains or losses resulting from a contribution of a non-monetary asset to a JCE in exchange for an interest in the net assets in the JCE should be recognised by the venturer in surplus or deficit;
- how additional consideration should be accounted for by the venturer; and
- how any unrealised gain or loss should be presented in the consolidated

This Interpretation of the Standards of GRAP deals with the venturer's accounting for non-monetary contributions to a JCE in exchange for an interest in the net assets in the JCE that is accounted for using either the equity method or proportionate consolidation.

The effective date of the interpretation is for years beginning on or after 01 April 2015.

The municipality has adopted the interpretation for the first time in the 2016 financial statements.

The impact of the interpretation is not material.

GRAP 6 (approved 2015): Consolidated and Seperate Financial Statements

The definition of 'minority interest' has been amended to 'non- controlling interest', and paragraph .60 was added by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

Paragraph .59 was amended by Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107] from the date at which it first applied the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .03, .39, .47 to .50 and added paragraphs .51 to .58 and .61 to .62. An entity shall apply these amendments when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The municipality has adopted the amendment for the first time in the 2016 financial statements.

The impact of the amendment is not material.

GRAP 7 (approved 2012): Investments in Associates

Paragraphs .03 and .42 were amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .22, .28 and .38 and added paragraph .24. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The municipality has adopted the amendment for the first time in the 2016 financial statements.

The impact of the amendment is not material.

GRAP 8 (as revised 2015): Interests in Joint Ventures

Paragraph .04 was amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers added paragraph .50 and amended paragraphs .51 and .52. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The municipality has adopted the amendment for the first time in the 2016 financial statements.

The impact of the amendment is not material.

Directive 11: Changes in Measurement Bases following the Initial Adoption of Standards of GRAP

The objective of this directive is to permit the municipality to change its measurement bases following the initial adoption of Standards of GRAP. The change is based on the principles in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. This directive should therefore be read in conjunction with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In applying paragraph 13(b) of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors, this directive allows the municipality, that has initially adopted the fair value model for investment property or the revaluation model for property, plant and equipment, intangible assets or heritage assets, to change its accounting policy on a once-off basis to the cost model when the municipality elects to change its accounting policy following the initial adoption of these Standards of GRAP. The once-off change will be allowed when the municipality made an inappropriate accounting policy choice on the initial adoption of the Standards of GRAP.

Subsequent to the application of this directive, the municipality will be allowed to change its accounting policy in future periods subject to it meeting the requirements in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The effective date of the directive is for years beginning on or after 01 April 2015.

The municipality has adopted the directive for the first time in the 2016 financial statements.

Notes to the Financial Statements

2016

2015

2. New standards and interpretations (continued)

The impact of the directive is not material.

2.2 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:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The expected impact of the standard is that it will not be applicable and is expected to have no impact on the municipality's financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Notes to the Financial Statements

2016

2015

2. New standards and interpretations (continued)

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The expected impact of the standard is that it will not be applicable and is expected to have no impact on the municipality's financial statements.

GRAP 16 (as amended 2015): Investment Property

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Various amendments were made to the Standard, affecting Definitions, Identification, Disclosure, Effective date and Transitional provisions.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 financial statements.

The expected impact of the standard is that it will not be applicable and is expected to have no impact on the municipality's financial statements.

GRAP 17 (as amended 2015): Property, Plant and Equipment

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Amendments identified as part of the post-implementation review, affected the following areas:

- Indicator-based assessment of the useful lives of assets
- Use of external valuers
- Encouraged disclosures
- Capital work-in-progress
- Expenditure incurred on repairs and maintenance

The effective date of the standard is for years beginning on or after 01 April 2016

Notes to the Financial Statements

2016

2015

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time in the 2017 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal- agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 21 (as amended 2015): Impairment of non-cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Non-cash-generating Assets are outlined below:

General definitions:

The definition of cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Identifying an asset that may be impaired:

Additional commentary has been added to clarify that physical damage triggers impairment of an asset when it results in a permanent or a significant decline in the potential of an asset.

Reversing an impairment loss:

An indicator has been added that the restoration of an asset's service potential following physical damage to the asset could indicate a reversal in an impairment loss.

Additional commentary has been added to clarify that restoration of an asset's service potential as a result of physical damage is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased

Notes to the Financial Statements

2016

2015

2. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 April 2018.

The municipality expects to adopt the standard for the first time in the 2019 financial statements.

The expected impact of the standard is that it will not be applicable and is expected to have no impact on the municipality's financial statements.

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2016 or later periods but are not relevant to its operations:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements.

Notes to the Financial Statements

	2016	2015
4. Other receivables from exchange transactions		
Gross balances		
Abattoir	8,256	14,919
Other receivables - councillor salaries	3,516	3,516
	11,772	18,435
Less: Allowance for impairment		
Other receivables - councillor salaries	(3,516)	(3,516)
Net balance		
Abattoir	8,256	14,919
Abattoir:		
Current (0 -30 days)	8,256	6,116
31 - 60 days	-	8,530
61 - 90 days	-	265
91 - 120 days	-	8
	8,256	14,919
Councillor salaries:		
> 365 days	3,516	3,516
Summary of debtors by customer classification		
Consumers and other receivables		
Current (0 -30 days)	8,256	6,116
31 - 60 days	-	8,530
61 - 90 days	-	265
91 - 120 days	-	8
> 365 days	3,516	3,516
	11,772	18,435
Less: Allowance for impairment	(3,516)	(3,516)
	8,256	14,919
Total		
Current (0 -30 days)	8,256	6,116
31 - 60 days	-	8,530
61 - 90 days	-	265
91 - 120 days	-	8
> 365 days	3,516	3,516
	11,772	18,435
Less: Allowance for impairment	(3,516)	(3,516)
	8,256	14,919
Reconciliation of allowance for impairment		
Balance at beginning of the year	3,516	8,719
Contributions to allowance	-	-
Debt impairment written off against allowance	-	(5,203)
Reversal of allowance	-	-
	3,516	3,516

Notes to the Financial Statements

	2016	2015
--	------	------

4. Other receivables from exchange transactions (continued)

Other receivables pledged as security

No other receivables were pledged as security.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Other receivables impaired

As of 30 June 2016, other receivables of R 3 516 (2015: R 3 516) were impaired and provided for.

The amount of the provision was R 3 516 as of 30 June 2016 (2015: R 3 516).

The ageing of these loans is as follows:

3 to 6 months	-	-
Over 6 months	3,516	3,516

5. Receivables from non-exchange transactions

Prepayments	759,797	1,113,325
Sundry debtors	17,051	11,359
	776,848	1,124,684

Receivables from non-exchange transactions impaired

As of 30 June 2016, other receivables from non-exchange transactions of R 164,918 (2015: R -) were impaired and provided for.

The amount relates to sundry debtors consisting of councillors and employees, in respect of outstanding PAYE as a result of an audit conducted by SARS. The debt has been fully impaired pending further investigation and possible approval for writing off by council.

6. Inventories

Consumable stores	83,097	117,835
Inventories write-downs / (reversal of write-down)	-	-
	83,097	117,835

Consumables:

Opening balance	117,835	117,300
Additions	746,411	719,641
Issued (expensed)	(781,150)	(719,106)
Closing balance	83,097	117,835

Inventory consists of stationery, fire fighting foam and grass beaters. No inventory is pledged as security. No circumstances or events existed that would have led to the write-down or the reversal of a write-down of inventories.

7. Held-to-maturity investments

6 Months investment accounts	30,116,436	31,176,088
------------------------------	------------	------------

Notes to the Financial Statements

	2016	2015
8. VAT		
VAT receivable	4,140,862	679,004

VAT is accounted for on the payment basis.

9. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and Buildings	39,563,085	(9,520,883)	30,042,202	39,126,179	(8,443,618)	30,682,561
Other property, plant and equipment	52,050,578	(22,972,488)	29,078,090	48,781,512	(18,226,200)	30,555,312
Total	91,613,663	(32,493,371)	59,120,292	87,907,691	(26,669,818)	61,237,873

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Land and Buildings	30,682,561	436,906	(1,077,265)	30,042,202
Other property, plant and equipment	30,555,312	3,269,066	(4,746,288)	29,078,090
	61,237,873	3,705,972	(5,823,553)	59,120,292

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	30,195,240	487,321	-	-	30,682,561
Other property, plant and equipment # 4	33,099,212	2,346,079	(2,307,493)	(2,582,486)	30,555,312
	63,294,452	2,833,400	(2,307,493)	(2,582,486)	61,237,873

Pledged as security

The municipality reviewed the residual values and estimated useful lives of its assets at the beginning of the 2015/16 financial year. The municipality also assessed if there is any indication that an asset needs to be impaired. No indicators of impairment of assets, except for the assets listed in the note below, were found.

Assets to be written off

Included in Property, plant and equipment above is assets amounting to R 15 223 that have been identified to be written off.

Assets amounting to R 5 395 have been identified as missing / stolen or broken and assets amounting to R 9 828 have been identified as broken / obsolete or no longer in use.

Council approval for the writing off of the assets have been obtain after 30 June 2016 and will be remove from the asset register in the new financial year.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Notes to the Financial Statements

2016 2015

10. 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	3,798,271	(1,573,787)	2,224,484	3,509,325	(1,386,345)	2,122,980

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,122,980	288,946	(187,442)	2,224,484

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,225,827	73,506	(176,353)	2,122,980

Pledged as security

The municipality reviewed the residual values and estimated useful lives of its assets at the beginning of the 2015/16 financial year. The municipality also assessed if there is any indication that an asset needs to be impaired. No indicators of impairment of assets, except for the assets listed in the note below, were found.

11. Non-current receivables

Deposits:

Water and electricity	2,025	2,025
Office rentals	32,750	32,750
Telephone	20,000	20,000
	54,775	54,775

Deposit water and electricity

These are deposits paid for water and electricity services, rental of office space in Mokopane and Thabazimbi for environmental health officials and VOIP telephone.

12. Trade and other payables from exchange transactions

Trade payables	3,573,135	3,092,604
Retentions	303,341	160,906
	3,876,476	3,253,510

13. Other payables from non-exchange transactions

Other creditors	3,091	95,788
Accruals for leave	7,335,706	6,321,822
Accruals for bonuses	1,237,571	1,139,713
	8,576,368	7,557,323

Notes to the Financial Statements

	2016	2015
--	------	------

13. Other payables from non-exchange transactions (continued)

The fair value of other payables approximates their carrying amounts.

14. Consumer deposits

Abattoir	2,000	600
Guarantees held in lieu of abattoir deposits	12,000	12,000

15. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus	165,476	-	-	165,476

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus	582,871	18,326	(435,721)	165,476

Performance bonus

Performance bonuses are paid one year in arrears when the municipality has a present obligation as a result of a past event which is the services rendered and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made. The bonus has been calculated based on the assessment of eligible employees at the reporting date.

The assumptions and basis of calculation was done in terms of the requirements of the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, 2006. Provision for Performance bonuses are calculated as per the performance agreements and brackets indicated in Section 32(2) the above Performance Regulations. The maximum exposure was calculated based on the final score of each individual manager at year end and in which those scores fall.

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Conditional Grants from other spheres of Government

Municipal Systems Improvement Grant	-	93,449
Municipal Infrastructure Grant	54,837,725	13,014,000
Municipal Water Infrastructure Grant	5,122,026	-
Municipal Infrastructure Grant (PMU)	-	5,000,000
LEDET Grant	200,045	-
Other conditional grants		
Mayor's Golf Day Grant	-	40,000
Tourism Grant	46,660	-
	60,206,456	18,147,449

See note 21 for reconciliation of grants from National/Provincial Government.

Notes to the Financial Statements

2016

2015

16. Unspent conditional grants and receipts (continued)

Included in unspent grant is the balance of R53 830 549 of MIG funding of R74 172 000 received for the Thabazimbi project and of which R20 341 451 were spent.

These amounts are invested in short-term investment until utilised.

17. Employee benefit obligations

Defined benefit plan

The municipality contributes to a number of defined contribution schemes for pension of all permanent employees and councillors. The funds are governed by the Pension Funds Act of 1956.

The following are defined contribution plans:

- National Fund for Municipal Workers
- Municipal Gratuity Fund
- Municipal Employee Fund
- Joint Municipal Pension Fund
- Municipal Councillors Pension Fund

The municipality also provides certain post-retirement medical benefits to qualifying pensioners. All post-retirement medical benefits are unfunded.

The following are defined benefit plans:

- LA Health
- SAMWU Med
- Bonitas Medical Fund
- Key Health Medical Scheme
- Hosmed

In accordance with prevailing legislation, the defined benefit funds are actuarially valued at intervals of not more than two years. The Projected Unit Credit valuation method is used. The latest actuarial valuation was performed as at 30 June 2016.

The municipality has no legal obligation to settle this liability with any immediate contributions or additional once-off contributions. The municipality intends to continue to contribute to each defined benefit post-retirement medical scheme in accordance with the latest recommendations of the actuary to each scheme.

The accumulated defined benefit obligation in respect of the post-retirement medical contributions are provided, based on calculations of independent actuaries, using methods and assumptions consistent with GRAP 25 as follows

Notes to the Financial Statements

2016	
015	2

17. Employee benefit obligations (continued)

Defined benefit obligation

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
2016: Effect on the aggregate of the health care inflation	19	(16)
2016: Effect on discount rate	13	(10)
2015: Effect on the aggregate of the health care inflation	19	(16)
2015: Effect on discount rate	16	(14)

Amounts for the current and previous four years are as follows:

	2016 R	2015 R	2014 R	2013 R	2012 R
Defined benefit obligation	23,051,093	21,728,016	17,523,330	13,793,670	12,832,210

18. Long service awards liability

The municipality provides long-service awards to its permanent employees.

The benefit of long-service award is provided in the form of annual leave and a gift to a certain monetary value.

In accordance with prevailing legislation, the provision is actuarially valued at intervals of not more than two years. The Projected Unit Credit valuation method is used. The latest actuarial valuation was performed as at 30 June 2016.

The municipality has no legal obligation to settle this liability with any immediate contributions or additional once-off contributions.

The accumulated defined benefit obligation in respect of the long-service awards are provided, based on calculations of independent actuaries, using methods and assumptions consistent with GRAP 25 as follows:

Notes to the Financial Statements

	2016	2015
18. Long service awards liability (continued)		
Movement in the long-service award liability:		
Liability as at 1 July	2,520,499	2,128,093
Benefits paid	(225,730)	(228,473)
Current service cost	295,011	251,723
Interest	190,707	160,641
Actuarial losses / (gains) recognised in Statement of Financial Performance	83,048	208,515
Unfunded accrued liability as at 30 June	2,863,535	2,520,499
Current portion of liability as at 30 June	643,676	240,759
Non-current portion of liability as at 30 June	2,219,859	2,279,740
	2,863,535	2,520,499
Expense recognised in (profit) or loss:		
Current service cost	295,011	251,723
Interest cost	190,707	160,641
Actuarial losses / (gains)	83,048	208,515
	568,766	620,879

Principal actuarial assumptions of valuation model used:

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8.45 %	7.94 %
General salary inflation rate	7.12 %	7.02 %

Assumed general salary inflation rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed general inflation rates would have the following effects:

	One percentage point increase	One percentage point decrease
2016: Effect on the aggregate of the general salary inflation rate	8	(7)
2016: Effect on discount rate	2	(2)
2015: Effect on the aggregate of the general salary inflation	8	(7)
2015: Effect on discount rate	6	(6)

Amounts for the current and previous four years are as follows:

	2016 R	2015 R	2014 R	2013 R	2012 R
Defined benefit obligation	2,863,535	2,520,499	2,128,093	1,669,115	1,453,933

	2016	2015
19. Interest earned		
Outstanding receivables	202	121
Abattoir services	31,463	-
South African Revenue Services - Interest on VAT receivable	31,665	121
External investments	458,840	231,283
Bank	9,923,423	6,951,951
Short-term investments	10,382,263	7,183,234
	10,413,928	7,183,355
20. Other income		
	60,324	107,723
Fire income	6,523	4,877
Miscellaneous income	4,961	134,954
Recoveries	56,843	234,650
Tender document fees	128,651	482,204

Notes to the Financial Statements

	2016	2015
21. Government grants and subsidies		
Operating grants		
Equitable share	111,232,000	99,036,000
LG SETA Grant	-	32,026
Municipal Infrastructure Grant (PMU)	5,000,000	-
Rural Road Asset Management Grant	1,839,000	1,779,000
LEDET Biosphere Grant	151,622	147,667
Municipal Systems Improvement Grant	940,000	840,551
Finance Management Grant	1,250,000	1,250,000
Expanded Public Works Incentive Grant	1,000,000	1,000,000
Mayor's Golf Day Grant	45,550	-
Tourism Grant	243,340	-
	121,701,512	104,085,244
Capital grants		
Municipal Infrastructure Grant	12,006,824	-
Municipal Water Infrastructure Grant	14,105,555	-
	26,112,379	-
	147,813,891	104,085,244

Equitable Share

The equitable share is an unconditional grant and is utilised to fund disaster management services, environmental health services, projects and operating expenditure.

Municipal Systems Improvement Grant

Balance unspent at beginning of year	93,449	401,868
Current-year receipts	940,000	934,000
Conditions met - transferred to revenue	(940,000)	(840,551)
Prior year roll over paid back to National Treasury	(93,449)	(401,868)

- 93,449

Conditions still to be met - remain liabilities (see note 16).

The grant is utilised for the implementation of new legislation, skills development and the GRAP compliance of the fixed asset register.

Municipal Infrastructure Grant

Balance unspent at beginning of year	13,014,000	-
Current-year receipts	74,172,000	13,014,000
Conditions met - transferred to revenue	(12,006,824)	-
Thabazimbi project expenditure	(20,341,451)	-
	54,837,725	13,014,000

Conditions still to be met - remain liabilities (see note 16).

The grant was received in March 2016 and is to be used to construct infrastructure assets on behalf of Thabazimbi Local Municipality.

Finance Management Grant

Current-year receipts	1,250,000	1,250,000
Conditions met - transferred to revenue	(1,250,000)	(1,250,000)
	-	-

2016 2015

21. Government grants and subsidies (continued)

The grant is utilised and assist with the implementation of the MFMA and compliance with GRAP.

Tourism Grant

Current-year receipts	290,000	-
Conditions met - transferred to revenue	(243,340)	-
	46,660	-

Conditions still to be met - remain liabilities (see note 16).

The grant is utilised to fund the development of tourism in the district.

Municipal Water Infrastructure Grant

Current-year receipts	19,227,581	-
Conditions met - transferred to revenue	(14,105,555)	-
	5,122,026	-

Conditions still to be met - remain liabilities (see note 16).

Waterberg District municipality has been appointed by the Department of Water and Sanitation as a schedule 6B implementing agent of MWIG projects for 3 local municipalities (Modimole LM, Mookgophong LM and Thabazimbi LM) during the 2015/16 financial year.

Expanded Public Works Incentive Grant

Current-year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	(1,000,000)	(1,000,000)
	-	-

The grant is to incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the EPWP guidelines.

LG SETA Grant

Current-year receipts	-	32,026
Conditions met - transferred to revenue	-	(32,026)
	-	-

The grant is utilised for training of officials in the District Municipality.

Rural Road Asset Management Grant

Current-year receipts	1,839,000	1,779,000
Conditions met - transferred to revenue	(1,839,000)	(1,779,000)
	-	-

The grant is utilised to set up a district Road Asset Management System and to collect rural data in line with the Road Infrastructure Strategic Framework for South Africa.

Municipal Infrastructure Grant (PMU)

Balance unspent at beginning of year	5,000,000	-
Current-year receipts	-	5,000,000
Conditions met - transferred to revenue	(5,000,000)	-

Notes to the Financial Statements

	2016	2015
21. Government grants and subsidies (continued)		
	-	5,000,000

Conditions still to be met - remain liabilities (see note 16).

The grant was received in March 2015 and is to be used for the establishment of a Project Management Unit for infrastructure projects.

LEDET Biosphere Grant

Current-year receipts	351,667	147,667
Conditions met - transferred to revenue	(151,622)	(147,667)
	200,045	-

Conditions still to be met - remain liabilities (see note 16).

The grant is to be utilised to fund the operations of the Waterberg Biosphere Meander.

Mayor's Golf Day Grant

Balance unspent at beginning of year	40,000	35,000
Current-year receipts	5,550	5,000
Conditions met - transferred to revenue	(45,550)	-
	-	40,000

Conditions still to be met - remain liabilities (see note 16).

The grant is utilised to partly fund the annual mayoral golf day.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act no.10 of 2014), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

22. Public contributions and donations

Donations	50,000	71,778
-----------	--------	--------

This is contributions from businesses for the LED Summit.

Notes to the Financial Statements

	2016	2015
23. Employee related costs		
Salaries and wages	40,991,700	38,842,116
Travel and other allowances	8,993,232	8,794,975
Contributions for UIF, pension and medical aid and other statutory contributions	11,771,723	11,013,054
Housing benefits and allowances	2,255,592	236,238
Overtime allowances	604,216	608,676
Performance and other bonuses (increase/(reversal) of provision)	-	18,327
	64,616,463	59,513,386

Remuneration of Municipal Manager

Annual Remuneration	1,193,209	1,085,715
Car Allowance	173,631	180,500
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	15,581	1,785
	1,382,421	1,268,000

The Municipal Manager was appointed on 1 July 2014.

Remuneration of Chief Finance Officer

Annual Remuneration	253,412	988,190
Car Allowance	60,991	203,999
Performance Bonuses	-	246,065
Contributions to UIF, Medical and Pension Funds	3,982	1,785
	318,385	1,440,039

The previous Chief Financial Officer was appointed from 1 June 2012 and resigned effective 30 June 2015. The new Chief Financial Officer was appointed from 21 January 2016.

Remuneration of Manager: Infrastructure Development

Annual Remuneration	706,338	636,763
Car Allowance	211,336	209,274
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	178,004	157,509

1,095,678	1,003,546
------------------	------------------

The Infrastructure Development Manager was appointed from 1 March 2013.

Remuneration of Manager: Planning & Economic Development

Annual Remuneration	741,832	656,283
Car Allowance	196,136	195,029
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	196,621	177,329
	1,134,589	1,028,641

The Planning & Economic Development Manager was appointed from 1 July 2013.

Remuneration of Manager: Corporate Support and Share Services

Annual Remuneration	846,763	765,215
Car Allowance	103,762	108,907
Performance Bonuses	-	60,578

Notes to the Financial Statements

2016	2015
------	------

23. Employee related costs

Salaries and wages	40,991,700	38,842,116
Travel and other allowances	8,993,232	8,794,975
Contributions for UIF, pension and medical aid and other statutory contributions	11,771,723	11,013,054
Housing benefits and allowances	2,255,592	236,238
Overtime allowances	604,216	608,676
Performance and other bonuses (increase/(reversal) of provision)	-	18,327
	64,616,463	59,513,386

Remuneration of Municipal Manager

Annual Remuneration	1,193,209	1,085,715
Car Allowance	173,631	180,500
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	15,581	1,785
	1,382,421	1,268,000

The Municipal Manager was appointed on 1 July 2014.

Remuneration of Chief Finance Officer

Annual Remuneration	253,412	988,190
Car Allowance	60,991	203,999
Performance Bonuses	-	246,065
Contributions to UIF, Medical and Pension Funds	3,982	1,785
	318,385	1,440,039

The previous Chief Financial Officer was appointed from 1 June 2012 and resigned effective 30 June 2015. The new Chief Financial Officer was appointed from 21 January 2016.

Remuneration of Manager: Infrastructure Development

Annual Remuneration	706,338	636,763
Car Allowance	211,336	209,274
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	178,004	157,509
	1,095,678	1,003,546

The Infrastructure Development Manager was appointed from 1 March 2013.

Remuneration of Manager: Planning & Economic Development

Annual Remuneration	741,832	656,283
Car Allowance	196,136	195,029
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	196,621	177,329
	1,134,589	1,028,641

The Planning & Economic Development Manager was appointed from 1 July 2013.

Remuneration of Manager: Corporate Support and Share Services

Annual Remuneration	846,763	765,215
Car Allowance	103,762	108,907
Performance Bonuses	-	60,578

Notes to the Financial Statements

	2016	2015
23. Employee related costs		
Salaries and wages	40,991,700	38,842,116
Travel and other allowances	8,993,232	8,794,975
Contributions for UIF, pension and medical aid and other statutory contributions	11,771,723	11,013,054
Housing benefits and allowances	2,255,592	236,238
Overtime allowances	604,216	608,676
Performance and other bonuses (increase/(reversal) of provision)	-	18,327
	64,616,463	59,513,386

Remuneration of Municipal Manager

Annual Remuneration	1,193,209	1,085,715
Car Allowance	173,631	180,500
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	15,581	1,785
	1,382,421	1,268,000

The Municipal Manager was appointed on 1 July 2014.

Remuneration of Chief Finance Officer

Annual Remuneration	253,412	988,190
Car Allowance	60,991	203,999
Performance Bonuses	-	246,065
Contributions to UIF, Medical and Pension Funds	3,982	1,785
	318,385	1,440,039

The previous Chief Financial Officer was appointed from 1 June 2012 and resigned effective 30 June 2015. The new Chief Financial Officer was appointed from 21 January 2016.

Remuneration of Manager: Infrastructure Development

Annual Remuneration	706,338	636,763
Car Allowance	211,336	209,274
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	178,004	157,509
	1,095,678	1,003,546

The Infrastructure Development Manager was appointed from 1 March 2013.

Remuneration of Manager: Planning & Economic Development

Annual Remuneration	741,832	656,283
Car Allowance	196,136	195,029
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	196,621	177,329
	1,134,589	1,028,641

The Planning & Economic Development Manager was appointed from 1 July 2013.

Remuneration of Manager: Corporate Support and Share Services

Annual Remuneration	846,763	765,215
Car Allowance	103,762	108,907
Performance Bonuses	-	60,578

Notes to the Financial Statements

	2016	2015
23. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	239,591	214,864
	1,190,116	1,149,564

The Corporate Support & Shared Services Manager was appointed from 1 March 2013.

Remuneration of Manager: Social Development and Community Services

Annual Remuneration	746,096	569,571
Car Allowance	161,813	160,948
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	39,836	16,688
	947,745	747,207

The new manager was appointed from 1 August 2014.

Remuneration of Manager: Executive Support Office

Annual Remuneration	710,138	639,730
Car Allowance	211,539	209,792
Performance Bonuses	-	60,929
Contributions to UIF, Medical and Pension Funds	174,779	154,801
	1,096,456	1,065,252

The Executive Support Manager was appointed on 1 April 2012.

There are no post-employment benefits, other long-term benefits or termination benefits provided to Section 56 managers.

24. Remuneration of councillors

Executive Major	710,154	678,055
Speaker	426,142	562,400
Mayoral Committee Members	3,382,455	3,073,997
Councillors	1,453,466	1,368,593
Councillors' pension contribution	744,989	663,734
	6,717,206	6,346,779

In-kind benefits

The Executive Mayor, Speaker, Chief Whip and 3 other Mayoral Committee members are full time councillors. Each is provided with an office, tools of trade and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties and has a driver.

25. Depreciation and amortisation

Property, plant and equipment	5,823,554	5,182,186
Intangible assets	187,442	176,352
	6,010,996	5,358,538

Notes to the Financial Statements

26. Impairment of assets

2016	2015
------	------

Impairments

Other financial assets

An investment amounting to R 270 985 capital is held with New Republic Bank, which is presently under receivership. The reversal of previous impairment relates to the payment of the 9th liquidation dividend.

-	100
---	-----

Trade and other receivables

164,918	1,662,772
---------	-----------

2016: Sundry debtors, Councillors and Employees, in respect of outstanding PAYE as a result of an audit conducted by SARS has been fully impaired.

2015: A sundry debtor, Fire & Emergency has been fully impaired due to the business currently being under Business Rescue in terms of the Companies Act.

164,918	1,662,872
----------------	------------------

Reversal of impairments

Property, plant and equipment

-	(6,612)
---	---------

This impairment is mainly on fire fighting vehicles that has been damaged and are in for repairs over year end. Impairment is reversed as soon as they are repaired to their original lifespan and quality or disposed.

Total impairment losses (recognised) reversed

164,918	1,656,260
----------------	------------------

The recoverable service amount of the assets is its fair value less costs to sell, determined by reference to an active market.

27. Contracted services

Fire fighting

15,703,090	14,288,994
------------	------------

This is a funded mandate of Waterberg District Municipality which is performed by local municipalities.

Notes to the Financial Statements

	2016	2015
28. General expenses		
Advertising	119,706	270,645
Annual report	92,500	140,000
Audit fees	2,284,018	1,804,648
Audit committee	92,995	72,324
Bank charges	78,401	66,209
Bursaries	73,112	65,805
Cleaning	214,026	167,403
Conferences and seminars - Delegations	137,458	92,219
Community development and training	224,400	-
Consulting and professional fees	529,327	108,942
Consumables	143,175	176,711
Damaged meat claims	4,104	1,409
Disaster management	277,500	78,630
Discretionary Bursary Fund	100,000	99,590
Employee Assistance Program	189,315	251,498
Entertainment	482,509	651,393
Environmental Health - awareness & sampling	54,886	94,843
Financial management grant	251,554	685,492
Insurance	737,460	543,431
Meat inspection	198,000	198,000
Miscellaneous expenditure	38,287	11,182
Motor vehicle expenses	336,573	315,877
Municipal account - water, rates & electricity	1,646,445	1,615,155
Municipal systems improvement grant	-	660,214
Pauper Burials	-	24,158
Postage and courier	1,316	3,113
Printing and stationery	445,347	465,727
Programming	981,313	916,588
Protective clothing	51,851	73,840
Rental of buildings / offices	508,852	468,111
Rental of office equipment	561,389	599,885
Security cost	1,873,926	1,902,888
State of the District Address	323,711	210,271
Subscriptions and membership fees	795,497	799,700
Subscription and publication	4,821	23,692
Telephone and cell phone expenses	473,509	440,096
Training	281,470	582,192
Travel and subsistence	3,995,131	3,917,401
	18,603,884	18,599,282

29. Project expenditure

Municipal Systems Improvement grant	940,000	840,551
Municipal Infrastructure grant	11,984,962	-
Finance Management grant	1,250,000	1,250,000
Municipal Water Infrastructure grant	14,105,555	-
Expanded Public Works Incentive grant	1,000,000	1,000,000
Rural Road Asset Management grant	1,839,000	1,779,000
PMU	5,000,000	-
Other grant expenditure	-	4,057,624
	36,119,517	8,927,175

30. Remuneration of Audit Committee members

Remuneration	92,995	72,324
--------------	--------	--------

Notes to the Financial Statements

2016	2015
------	------

30. Remuneration of Audit Committee members (continued)

3 Members serve on the Audit Committee. The members are paid an allowance per day and are reimbursed for travel expenses. The 3 year term of the audit committee was renewed from 1 October 2014 to 30 September 2017. Four meetings were held during the current year, but the chairperson also attended council meetings.

31. Cash generated from operations

Surplus (deficit)	7,783,279	(7,420,622)
Adjustments for:		
Depreciation and amortisation	6,010,996	5,358,538
Gain on sale of assets and liabilities	-	407,273
Impairments and (reversals)	-	(6,612)
Movements in retirement benefit assets and liabilities	1,323,079	4,204,686
Movements in provisions	-	(417,395)
Increase in long service awards liability	343,035	392,406
Changes in working capital:		
Inventories	34,738	(535)
Consumer debtors	6,663	(7,548)
Other receivables from non-exchange transactions	347,836	1,033,471
Trade and other payables from exchange transactions	622,966	1,401,655
Decrease/(Increase) in VAT receivable	(3,461,858)	2,394,238
Other payables (non exchange)	1,019,045	776,907
Unspent conditional grants and receipts	42,059,007	17,710,581
Consumer deposits	1,400	-
	56,090,186	25,827,043

32. Fruitless and wasteful expenditure

Opening balance	1,409	2,000
Fruitless and wasteful expenditure - current year	28,274	1,409
Less: Amounts written off by Council	-	(2,000)
	29,683	1,409

Current year:

An audit by SARS revealed that PAYE and skills development levy were incorrectly calculated on fringe benefits and employee costs, the resulting penalties of R 28 274 on the outstanding amount were levied during the current financial year. An objection was raised by the District Municipality to waive the penalty however this was disallowed by SARS resulting in the payment being made. The matter was investigated and no deliberate or negligent intent was found. The incident is to be reported to Council to be condoned and written off.

Prior year:

Red Offal was infested with flies because of the heat that led to damaged meat claims to a total of R 1 409 during the current financial year. The matter was investigated and no deliberate or negligent intent was found. The incident is to be reported to Council to be condoned and written off.

33. Irregular expenditure

Opening balance	4,450,901	-
Add: Irregular Expenditure - current year	8,334,423	4,450,901
Less: Amounts written off by Council	-	-
Less: Amounts recoverable (not condoned)	-	-
	12,785,324	4,450,901

Notes to the Financial Statements

	2016	2015
33. Irregular expenditure (continued)		
Analysis of expenditure awaiting condonation		
Current year	8,334,423	4,450,901
Prior years	4,450,901	-
	12,785,324	4,450,901
Details of irregular expenditure – current year		
Suppliers' original tax clearance certificate could not be validated by SARS.	1,740,678	
Competitive bidding was not followed due urgent required goods.	2,007,120	
Service provider is in the service of state.	119,930	
Preference points were not calculated on limited bidding procurements above R 30 000.	579,930	
Local contents requirements were not considered in applicable tenders and bid results were not published on the WDM website.	1,428,352	
Bid specifications requested and bid evaluations was performed on uncertified BBBEE Accreditation certificates.	2,458,413	
	8,334,423	
Details of irregular expenditure - prior year		
Preference points were not calculated on limited bidding procurements above R 30 000.		1,166,108
Local contents requirements were not considered in applicable tenders and bid results were not published on the WDM website.		729,498
Bid specifications requested and bid evaluations was performed on uncertified BBBEE Accreditation certificates.		2,555,295
		4,450,901
34. Unauthorised expenditure		
Unauthorised expenditure	26,045	-
Unauthorised expenditure - current year	-	26,045
Less: Amounts condoned by Council	-	-
To be recovered	-	-
	26,045	26,045

Current Year:

No unauthorised expenditure were incurred during the current financial year.

Prior year:

The Abattoir department overspent by R 26 045 due to an overspending on the budgeted actuarial valuation costs for post-retirement medical aid which increased by more than projected.

Notes to the Financial Statements

	2016	2015
35. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription	686,741	653,897
Amount paid - current year	(686,741)	(653,897)
	-	-
Audit fees		
Current year audit fees - statutory	2,284,018	1,804,648
Amount paid - current year	(2,284,018)	(1,804,648)
	-	-
Included in current years expenditure are audit fees for the 2014/15 and 2015/16 financial years:		
Audit fees 2015/16	R 405 847.10	
Audit fees 2014/16	R1 878 170.74	
UIF		
Current year payroll deductions	450,673	441,178
Amount paid - current year	(450,673)	(441,178)
	-	-
PAYE		
Current year payroll deductions	12,172,274	11,014,889
Amount paid - current year	(12,172,274)	(11,014,889)
	-	-
Pension and Medical Aid Deductions		
Current year payroll deductions and council contributions	17,057,998	16,156,713
Amount paid - current year	(17,057,998)	(16,156,713)
	-	-
VAT		
VAT receivable	4,140,862	679,004

All VAT returns have been submitted by the due date throughout the year.

Notes to the Financial Statements

	2016	2015
35. Additional disclosure in terms of Municipal Finance Management Act (continued)		
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.		
In terms of section 36 of the Municipal Supply Chain Management Regulations, the Municipal Manager may dispense with the official procurement process in certain instances and ratify minor breaches. Any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council.		
These expenses incurred, approved by the Municipal Manager and reported to Council, are listed below:		
Deviations:		
Deviations on goods and services less than R 30 000	539,013	495,541
Deviations on goods and services between R 30 000 and R 200 000	3,665,143	1,831,991
Deviations on goods and services more than R 200 000	5,390,526	2,857,466
	9,594,682	5,184,998
The expenditure was incurred as listed below:		
Urgent and emergency procurement	2,572,228	59,613
Limited bidding procurement	6,555,146	4,914,155
Minor breaches	467,308	211,230
	9,594,682	5,184,998

Notes to the Financial Statements

	2016	2015
36. Commitments		
Commitments are stated inclusive of VAT.		
Authorised capital expenditure		
Already contracted for but not provided for		
• Disaster Management	-	473,175
• Movable assets	-	498,073
• Infrastructure projects	59,163,459	-
	59,163,459	971,248
Total capital commitments		
Already contracted for but not provided for	59,163,459	971,248
Authorised operational expenditure		
Already contracted for but not provided for		
• Environmental Health	-	633,492
• Abattoir	-	112,860
• Institutional development	-	3,893,918
• Tourism and SMME	46,660	-
	46,660	4,640,270
Total operational commitments		
Already contracted for but not provided for	46,660	4,640,270
Total commitments		
Total commitments		
Authorised capital expenditure	59,163,459	971,248
Authorised operational expenditure	46,660	4,640,270
	59,210,119	5,611,518

The capital commitments relates to capital projects and will be financed from grants received.

The operational commitments will be financed from own resources and donations.

The municipality has entered into a 5 year contract with ABSA Bank for the provision of banking services commencing on 1 July 2015. Normal banking charges will be incurred under the contract and does not include an overdraft facility.

Commitments in respect of leases

The municipality has no finance leases. At the reporting date the municipality has outstanding commitments under operating leases which fall due as follows:

Operating leases - as lessee

Minimum lease payments due

- within one year	861,610	1,163,379
- in second to fifth year inclusive	-	455,905
	861,610	1,619,284

Operating lease payments represent rentals payable by the municipality photocopiers and office space in Mokopane and Thabazimbi for environmental health practitioners.

The lease agreement for office equipment will expire on 28 February 2017.

Notes to the Financial Statements

	2016	2015
--	------	------

36. Commitments (continued)

All rentals are either fixed term fixed amount contracts or contingent rentals and therefore no smoothing of leases is necessary.

37. Contingent liabilities

	<u>2016</u>	<u>2015</u>
The following are legal cases pending at year end and the potential liability thereof:		
Mohale Incorporated - defend action against breach of contract	1 800 000	1 800 000
Alleged contract breach with Limpopo Business Support Agency (LIBSA) due to not meeting reporting requirement.		
Mohale Incorporated - defend action against unfair labour practice SAMWU obo J Mashamaite and others regarding reasonable expectations.		
Due to the nature and complexity of the case, financial exposure cannot be determined.	-	-

38. Related parties

Relationships

Municipal entity	Waterberg Economic Development Agency (WEDA)
Key management - employees	Refer to note 23
Key management - councillors	Refer to note 24
Local municipalities	Modimolle LM, Thabazimbi LM, Bela Bela LM, Lephalale LM, Mogalakwena LM and Mookgophong LM

Related party transactions

There are no other related party transactions or balances for the current year. Waterberg Economic Development Agency (WEDA) is currently dormant. Waterberg District Municipality incurred expenditure for the establishment of WEDA and also subsequently appoint board members for the agency.

The district municipality provides support to the local municipalities in the district. Fire fighting is a funded mandate of Water District Municipality which is performed by local municipalities.

Notes to the Financial Statements

39. Change in estimate

Property, plant and equipment

No changes were made in the current year to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances.

The following changes were made in the prior year:

Change in amortisation of Intangible Assets resulting from the reassessment of useful lives prospectively in 2014/15. There is no impact on the future periods other than the same reduced amortisation charge as the prior year. The following categories are affected in the prior period:

	Useful life (in years)	
	<u>Original</u>	<u>Amended</u>
Computer software	4 to 40	4 to 40

	<u>Value derived using the original estimate</u>	<u>Value derived using the amended estimate</u>	<u>R-value of impact of change in estimate</u>
Computer software	70 179	42 332	(27 847)
(Decrease)/Increase on Surplus for the 2014/15 year	70 179	42 332	(27 847)

40. Prior period errors

An error in the calculation of the provision for leave and bonus resulted in the overstatement of Other payables from non-exchange transactions.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Other payables from non-exchange transactions	-	32,577
---	---	--------

The effect of Item 1 & 2 above on Accumulated surplus

Employee related cost	-	(32,577)
-----------------------	---	----------

41. Comparative figures

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

Statement of financial position - extract

	Comparative figures previously reported	Reclassification	After reclassification
Other payables from non-exchange transactions.	7,589,900	(32,577)	7,557,323

Notes to the Financial Statements

41. Comparative figures (continued)

Statement of financial performance - extract

	Comparative figures previously reported	Reclassification	After reclassification
Other gains			
Gain on disposal of assets (Item 1)	49,462	(49,462)	-
Reversal of impairment loss on assets (Item 2)	6,612	(6,612)	-
Expenditure			
Employee related costs (Item 3)	(59,545,964)	32,577	(59,513,387)
Impairment loss/ Reversal of impairments (Item 2)	(1,662,872)	6,612	(1,656,260)
Loss on disposal of assets (Item 1)	(456,735)	49,462	(407,273)
Total	(61,609,497)	32,577	(61,576,920)

The effect of Item 1 to 3 above on

Accumulated surplus

Accumulated surplus (2015 AFS)	-	126,181,788
Effect of Item 1 above	-	-
Effect of Item 2 above	-	-
Effect of Item 3 above	-	32,577
Accumulated surplus (comparative in 2016 AFS)	-	126,214,365

Item 1 & 2:

The reclassification was done in terms of GRAP.

Item 3:

The reclassification was as a result of prior year error.

42. Risk management

41.1 Financial risk management

The main risks of the Municipality are interest rate risk, liquidity risk, credit risk and the fair value of financial instruments.

Notes to the Financial Statements

42. Risk management (continued)

41.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality's strong credit profile and diversified funding sources ensure that sufficient liquid funds are maintained to meet its daily cash requirements. The Municipality's policy on counterpart credit exposures ensures that only counterparties of a high credit standing are used for the investments of any excess cash.

The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net -settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	3,876,476	-	-	-
Consumer deposits	-	-	2,000	-
At 30 June 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	3,188,392	-	-	-
Consumer deposits	-	-	600	-

41.3 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors.

To manage the risk the Municipality has a credit control policy. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Counter-parties:

The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The Municipality has no significant concentration of credit risk with any single counterparty or a group of counter-parties.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2016	2015
Cash and cash equivalents	136,214,004	83,059,082
Trade and other receivables from exchange transactions	8,256	14,919
Held-to-maturity investments	30,116,436	31,176,088

41.4 Market risk 41.4.1

Currency risk

The Municipality does not have currency risk as in terms of section 163 of the Municipal Finance Management Act, No.56 of 2003, no municipality may incur a liability or risk payable in a foreign currency.

Notes to the Financial Statements

42. Risk management (continued)

41.4.2 Fair value of financial instruments

At year end the carrying amounts of cash and short-term deposits, trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities.

41.4.3 Cash flow interest rate risk

The municipality's interest rate risk arises from investments. Investments at variable rates expose the municipality to cash flow interest rate risk. Investments at fixed rates expose the municipality to fair value interest rate risk. The municipal policy is to not invest more than 35% of funds with one institution and to invest at different maturity dates over the short term to alleviate major fluctuations in the interest rates. The majority of investments are fixed rate investments.

At year-end, financial instruments exposed to interest rate risk were as follows:

Financial instrument	2016	2015
ABSA Bank current account	5,825,786	3,684,004
Call deposits	26,054,159	21,057,151
60 Days fixed deposits	10,049,315	10,032,836
90 Days fixed deposits	94,279,544	48,279,891
6 Month fixed deposits	30,116,436	31,176,088

43. Going concern

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

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.

We draw attention to the fact that at 30 June 2016, the municipality had accumulated surplus of R 133,997,648 and that the municipality's total assets exceed its liabilities by R 133,997,648.

The municipality will continue to honour its financial obligations and strive to maintain its assets, and will therefore continue to exist within the foreseeable future, as a going concern.

44. Events after the reporting date

There are no material events that occurred after the reporting date.

45. In-kind donations and assistance

The Municipality did not receive any in-kind donations and assistance during the financial year.