

WATERBERG DISTRICT MUNICIPALITY



FINAL 2017/18 ANNUAL REPORT



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CHAPTER 1 –EXECUTIVE MAYOR FOREWORD AND EXECUTIVE SUMMARY

1.1. COMPONENT A – EXECUTIVE MAYOR’S FOREWORD

(a) Vision

“To be the energy hub and eco-tourism destination in Southern Africa”.

(b) Mission

“ To invest in a constituency of talented human capital who are motivated and innovative to build a sustainable economy in the field of energy, minerals and eco-tourism for the benefit of all our communities “

(c) Key Policy Developments

Section 51 of the Constitution of the Republic of South Africa, provides for developmental local government to make provision for a democratic and accountable government for communities. It also encourages municipalities to ensure the provision of services to communities in a sustained manner in order to promote social and economic development, whilst the White Paper on Local Government views IDP as a way of achieving developmental government and intending to:

- Align scarce resources around agreed policy objectives,
- Ensuring integration between sectors and stakeholders in local government,
- Ensuring transparent interaction between municipalities and communities and thereby making local government accountable.

On the other hand, the Local Government Municipal Systems Act No. 32 of 2000 requires the municipality to undertake developmental oriented planning so as to ensure that it strives to achieve the objectives set out in the Constitution.

Local government is and will always remain the implementing agent of government transformation and delivery programmes. Two parallel and mutual reinforcing roles of local government are sustainable creation of an environment for economic development and empowerment of local communities.

The primary vehicle for carrying out these roles is the provision of service delivery. It is therefore the responsibility of local government to create the necessary capacity to be able to deliver the required services. All these can be achieved through the involvement of all local government stakeholders in the integrated planning process.

The Integrated Development Plan (IDP) is a management tool for assisting municipalities in achieving their developmental mandates. Every municipality is required to develop and adopt its IDP following the legal framework documents as provided in various pieces of legislation.

(d) Key Service Delivery Improvements

We have but little to talk about as highlights of the Waterberg District Municipality precisely because of our financial condition. This has been our focus even during the Strategic Planning Session held in March earlier this year.

Much has to be done in knocking on the doors of various institutions with authorities to engage them on powers and functions that were embezzled off from district municipalities. These functions include amongst others, provision of bulk water, roads, bulk electricity etc. It is an open secret that if no urgent intervention is explored, our district may close shops in four to six years' time.

The Waterberg District Municipality followed public and other stakeholders engagements during the public participation processes enshrined in our budget cycle.

The public participation processes include all stakeholders in our local municipalities by means of IDP Representative Fora. Written comments on both the Draft IDP and Budget were invited through local newspapers and notices placed in strategic areas across the whole district.

Public comments and suggestions were accommodated as much as possible in the compilation of both our IDP and Budget.

(e) Job creation:

Waterberg District Municipality emerged as a strong partner in the implementation of projects through labour intensive methods aligned to Extended Public Works Programme (EPWP) and other projects that we implement within the district, namely:

Progress to date is as follows:

- ✚ The upgrading of Thabazimbi Waste Water Treatment Works was completed in January 2018 and 34 jobs were created during its implementation,
- ✚ Raphuti/Leeuport Water Supply was completed in September 2017 and created 20 jobs
- ✚ Smasherblock Water Supply was completed in September 2017 and 20 jobs were created
- ✚ Thabazimbi/Regorogile Water Supply was completed in September 2017 and 20 jobs were created as well.

These projects have brought much needed water relieve to the community of Thabazimbi Local Municipality.

(f) Municipal Health Services:

Municipal Health is one of our core functions in terms of the National Health Act No. 61 of 2003. The Unit during the current financial year was able to do the following:

- ✚ Our Environmental Health Practitioners monitored the exhumation and reburial of 94 graves from Turfspruit farm in Mogalakwena Local municipality. These graves were going to be affected by development of mining infrastructure of IvanPlats mine.
- ✚ Joint operations are continuously conducted with other sector departments including South African Police on foodstuffs that are not suitable for human consumption and are confiscated and disposed at landfill sites and health education is provided.
- ✚ The Environmental Health Practitioners also work hand in glove with the officials from the Department of Health, Traditional Health Practitioners and Traditional Leaders during initiation period.

This is part of the daily functions by the District Municipality Environmental Health Practitioners who are deployed in all local municipalities within the district to assist. The core functions include amongst others

- ✚ Water quality monitoring

- ✚ Food control
- ✚ Health surveillance of premises
- ✚ Surveillance and prevention of communicable diseases,
- ✚ Environmental pollution
- ✚ Disposal of the dead

This is however, a function that was devolved from the Provincial Department of Health to the district municipality. It was a new mandate to the district and we are now efficiently and effectively championing it.

(g)Disaster Management:

The Unit deals with all hazards whilst more attention is directed to emergencies such as fire, transport accidents and natural disaster such as floods. The unit is always ready for these tasks.

(h)Water

Water is the most important resource to promote both social and economic development within communities. The Waterberg District Municipality is not a Water Services Authority (WSA) and depends on its local municipality for provision of water. National Treasury and the Department of Water and Sanitation approached and appointed the Waterberg District Municipality as the implementing agent of the projects in Thabazimbi Local Municipality in the 2015/2016 financial year. We are busy implementing those projects.

(I)Electricity:

The development of the coal and energy in Lephalale did not only eradicate the district electricity backlog but also improved the provision of electricity in the province and the country. To date ESKOM has increased the number of electricity outlets near communities within the district so that people don't have to travel long distances.

Some of the challenges still facing the district include:

- Shortage of human capacity in certain functional areas, especially in Disaster management and fire-fighting
- Unemployment and Lack of skills especially the youth.
- Reducing the HIV/AIDS T.B. and establishment of Local Aids Councils.
- Resuscitation of Intergovernmental Relations forums. These forums are not meeting due to the absence of key members. We call upon all stakeholders to attend, especially Mayors and Municipal Managers.
- Let us make sure that in the 2018/2019 financial year all these structures are functional in terms of Intergovernmental Relations Framework ACT 13 of 2005.
- Slow implementation of Spatial Planning & Land Use Management Act (SPLUMA) as local municipalities are not complying in terms of modalities of the signed agreement and they not provide budget for the District SPLUMA Tribunal members.

(j) Mayoral Marathon

The marathon is growing every year and it is a platform to unearth new talent, promote social cohesion and prepare district athletes to participate in National and International races like the Comrade Marathon.

We are happy to announce that some of the Waterberg District Municipality officials participated in the 2018 Comrade Marathon on the 4th June 2018.

Our relationship with Traditional Leaders within the district is very sound and solid. Traditional Leaders are effectively participating in the affairs and activities of municipalities with the Chairperson of Local House leading at the district municipal council level.

Working together with all our stakeholders in local government, will be able to consolidate our position as a leading municipality ready to take major strides in delivering on our mandate during this term of office although with limited resources.

(k) Challenges:

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

(l) Conclusion

In conclusion we believe that our ability to strengthen the cohesion and partnerships that we have already built is fundamental to the sustainability of the achievements made thus far in our district and also to overcome the challenges we are facing.

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 qualified 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 seven 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 source funding for implementation of strategic projects across the district. This need innovative ways of dealing challenges (forward planning). Office of the Executive Mayor was outstanding in implementing its projects in the year under review.

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.

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 District Municipality finalised the process of relocating fire-fighting staff from Lephalale, Modimolle-Mookgophong and Bela-Bela local municipalities respectively to the head office, so 19 fire-fighters are now part of the WDM.

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.

The issue of unauthorised, irregular, fruitless and wasteful (UIFW) expenditure is a challenge which needs to be dealt with in order to receive a positive audit opinion. Management is committed to uphold and adhere to all applicable legislative prescribes to avoid deviations and section 32 transactions. Management is also committed to achieve a unqualified Audit Opinion in the 2018/19 financial year. Financial Misconduct Board has been established to deal with the matters of investigating the UIFW as contained in the Management letter.

M.M Maluleka

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, and according 2016 community survey the population rate increased to 9.8%

	Male	Female	Total 2011	Male	Female	Total 2016
Thabazimbi	42 773	29 072	71 845	57259	38973	96232
Lephalale	56 704	48 259	104 964	76528	60098	136626
Mookgophong	15 748	14 760	30 509	54393	53305	107698
Modimolle	30 614	29 760	60 373			
Bela-Bela	28 799	27 603	56 401	38961	37335	76296
Mogalakwena	137 512	158 285	295 796	154352	174553	328905
Waterberg	312 150	307 739	619 889	381493	364264	745757

Figure1. Demographics: Census 2011 and community survey 2016

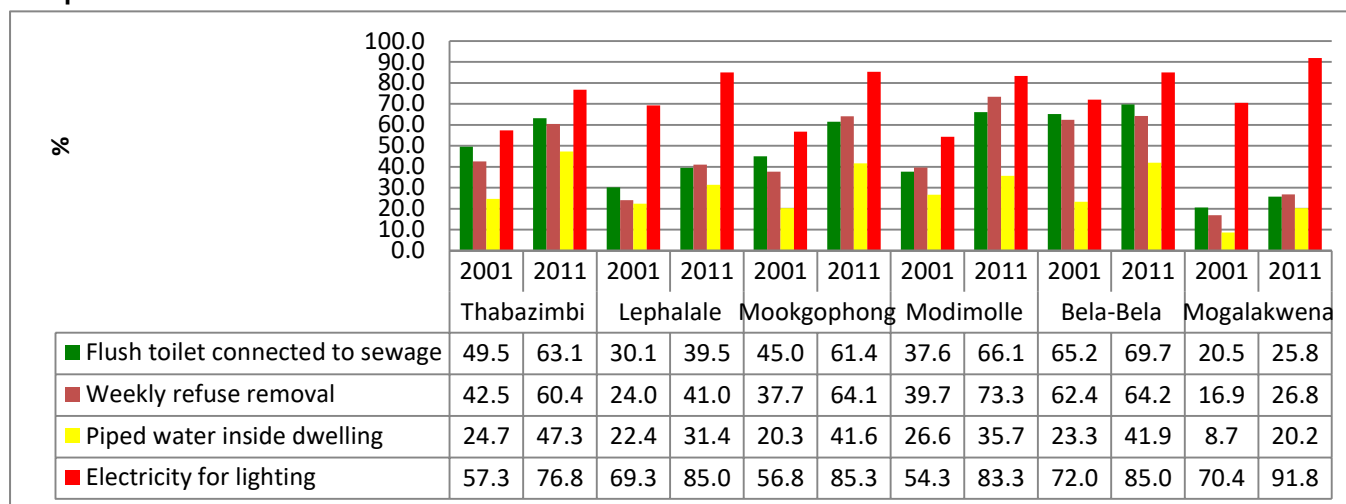
The district area is both a hot and semi-arid in nature. The rain falls mainly in January and December. There are a number of places of which its biodiversity is a source of tourism attraction. There are Municipalities which had been proclaimed by the Department of Environmental Affairs to be contributing 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.

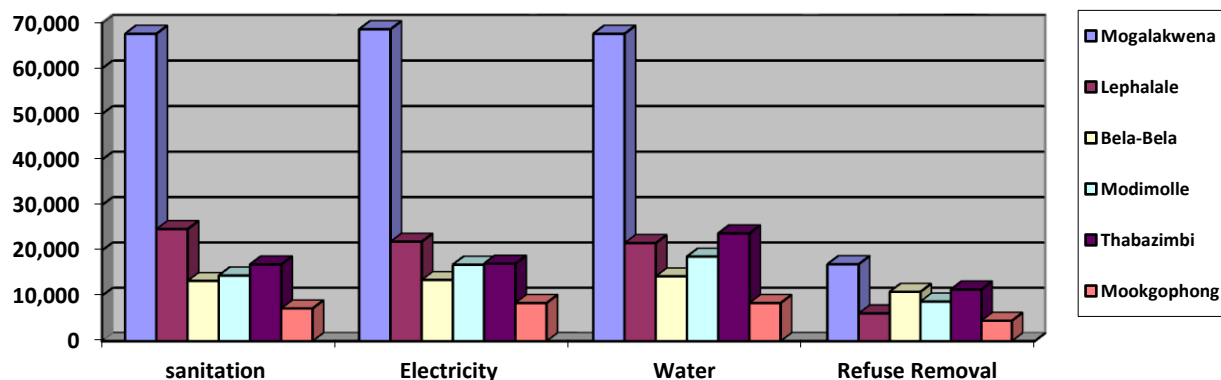
The service delivery of the municipality is mainly confined to the disaster management and firefighting services. Unlike the other district municipalities in the Province, Waterberg District Municipality it is not a water services authority. The 6 local municipalities are responsible for providing basic 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	Water	Sanitation	Electricity	Refuse Removal
Bela-Bela	2.64%	12%	12%	22.2%
Lephalale	3.21%	12.15%	6.2%	6.2%
Modimolle-Mookgophong	8.2%	4.28%	7.62%	79.2%
Mogalakwena	25%	25%	17%	59%
Thabazimbi	27%	34%	31%	33%
Waterberg	13%	15.7%	10.5%	52%

NB: The highest backlogs are recorded in Refuse Removal and Sanitation 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	21 354	21 134	2.64%
Modimolle-Mookgophong	28 977	28 047	3.21%
Mogalakwena	79 392	72 922	8.2%
Lephalale	43 002	32 109	25%
Thabazimbi	35 462	25 618	27%
Waterberg	208 190	179 830	13%

Sanitation

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	18 791	12%
Modimolle-Mookgophong	28 977	25 454	12.15%
Mogalakwena	79 392	75 645	4.28%
Lephalale	43 002	32 426	25%
Thabazimbi	35 462	23 175	34%
Waterberg	208 190	175 491	15.7%

Electricity

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	18 695	12%
Modimolle-Mookgophong	28 977	27 173	6.2%
Mogalakwena	79 392	78 105	7.62%
Lephalale	43 002	35 304	17%
Thabazimbi	35 462	27 041	31%
Waterberg	208 190	186 318	10.5%

Refuse Removal

Municipality	Total HH	HH with access	% Backlog
Bela-Bela	21 354	14 743	22.2%
Modimolle- Mookgophong	28 977	27 173	6.2%
Mogalakwena	79 392	16 500	79.2%
Lephalale	43 002	17 672	59%
Thabazimbi	35 462	23 872	33%
Waterberg	208 190	99 960	52%

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 qualified audit outcome.

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

Details	Original budget	Adjustments budget	Actual
Income :			
Grants	123 388 000	123 588 000	121 975 023
Investment Revenue	7 794 728	9 794 728	11 490 576
Other	31 920	31 920	26 561
Abattoir	1 966 166	1 966 166	1 061 089
Subtotal	133 180 814	135 380 814	134 553 248

Less Expenditure :			
Employee Cost	86 767 979	84 377 979	81 931 295
Remuneration of Councillors	10 456 461	10 696 461	7 893 985
Depreciation and amortisation	8 691 400	8 691 400	6 415 577
Transfers & Grants (project expenditure)	11 673 800	20 294 010	10 026 646
General expenses	28 298 082	31 048 082	22 023 318
Subtotal	145 887 722	155 107 932	128 290 821
Surplus / (Deficit) for the year	(12 706 908)	(19 727 118)	(6 262 427)

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 89 825 280
89 825 280/128 290 821	
=70%	
Actual Repairs and maintenance as a % of Property, Plant & Equipment	R 3 282 072
3 282 072/48 093 829	
=6.83%	
Actual Current ratio: Current Assets vs Current Liabilities	
134 553 313/26 119 204	
=19.42%	

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 qualified report for 2017/18FY. 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 EFF and FF+ 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 5 local municipalities, the WDM section 57 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.



WATERBERG DISTRICT MUNICIPAL COUNCIL (2016 - 2021)



MEMBERS OF MAYORAL COMMITTEE



Cllr T A Mashamaite
ANC (BUDGET AND TREASURY)



Cllr F Hlungwane
ANC (TRANSFORMATION & ADMINISTRATION)



Cllr M P Sebatjane
ANC (PLANNING & PROJECT DEVELOPMENT)



Cllr R M Radebe
ANC (INFRASTRUCTURE & DEVELOPMENT)



Cllr M R Boloka
ANC (SOCIAL DEVELOPMENT)



Cllr K R Mokwena
ANC (SPECIAL PROJECTS)



Cllr N S Monyamane
ANC (COMMUNITY SERVICES)



Cllr N S Montane
ANC (MAYOR CHAIRPERSON)



Cllr M J Gumede
ANC



Cllr P Molekwa
ANC



Cllr M T Mogale
ANC



Cllr M J Selokela
ANC



Cllr L K Satege
ANC



Cllr M S Tefu
ANC



Cllr R N Monene
ANC



Cllr M B Baloyi
ANC



Cllr R D Mampeule
EFF



Cllr T E Monama
EFF



Cllr S R Mphahlele
EFF



Cllr M S Thobane
EFF



Cllr B S Marema
EFF



Cllr C C S Motsepe
EFF



Cllr S C Majoko
EFF



Cllr R Maropeng
EFF



Cllr F Z Esply
DA



Cllr S C G Senosha
DA



Cllr K C Khotsa
DA



Cllr D Senosha
DA



Cllr N Laubscher
DA



Cllr B Mocke
DA



Cllr B N Magongwa
DA



Cllr K N Niewenhuys
FF+

2.1.3 POLITICAL MANAGEMENT TEAM



Cllr S M Mataboge
Executive Mayor



Cllr K S Lamola
Speaker



Cllr M A Tsebe
Chief Whip

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]

<i>BUDGET & TREASURY</i>	
Chairperson: T.A. Mashamaite	Members: (a) M.B. Baloyi (b) L. K Satege (c) N. Laubscher (d) S.C. Majoko
<i>TRANSFORMATION & ADMINISTRATION</i>	
Chairperson: F.S. Hlungwane	Members: (a) R. N. Monene (b) M. S. Tefu (c) K. C. Khotsa (d) T.E. Monama
<i>PLANNING & ECONOMIC DEVELOPMENT</i>	
Chairperson: M. P. Sebatjane	Members: (a) S.C.G. Senosha (b) M.S. Thobane (c) R.D. Mampeule
<i>INFRASTRUCTURE</i>	
Chairperson : R. M. Radebe	Members: (a) M. J. Selokela (b) P. Molekwa (c) B. Mocke (d) C.C.S. Motsepe
<i>SOCIAL DEVELOPMENT</i>	
Chairperson: M. R. Boloka	Members: (a) B. N. Magongwa (b) S.R. Mphahlele (c) M.T. Mogale (d) Kgoshigadi R.R. Taueatsoala
<i>COMMUNITY SERVICES</i>	
Chairperson: N. S. Monyamame	Members: (a) K.H. Niewenhuis (b) D. Senosha

	(c) B.S. Marema (d) Kgoshi P.D. Seleka
SPECIAL PROJECTS	
Chairperson: K. R. Mokwena	Members: (a) F.Z. Esply (b) M.J. Gumede (c) R. Maropeng (d) Kgoshi L.V. Kekana

2.1.5. Section 79

Municipal Public Accounts Committee (MPAC)

MPAC comprising of 11 members was established in 2016 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 N.S Montana	African National Congress
2	Member	Cllr M.J Gumede	African National Congress
3	Member	Cllr N. Laubscher	Democratic Alliance
4	Member	Cllr B.N Magongwa	Democratic Alliance
5	Member	Cllr S.C Majoko	Economic Freedom Fighters
6	Member	Cllr R.N Monene	African National Congress
7	Member	Cllr MJ Selokela	African National Congress
8	Member	Cllr C.C.S Motsepe	Economic Freedom Fighters
9	Member	Cllr KH Niewenhuis	FF+
10	Member	Cllr L.K Satege	African National Congress
11	Member	Cllr M.S Tefu	African National Congress

ESTABLISHMENT OF COUNCIL COMMITTEES [SECTION 79]

<i>THICS MANAGEMENT COMMITTEE</i>	
Chairperson: K.S. Lamola	Members: (a) S.M. Mataboge (b) M.A Tsebe (c) M.B. Baloyi (d) R. Maropeng

1. The following Audit Committee Members were appointed by Council for a period of three (3) years:

- i. Adv. J. L. Thubakgale
- ii. Mr. R. Tshimomola
- iii. Mr. GM Dhladhla

2.1.6 POLITICAL DECISION MAKING

Council had met 8 times during the financial year under review and 4 special council meetings and 4 ordinary council meetings were convened. Out of 94 Council resolutions taken 83 were resolved and 11 on progresses by June 2018. 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.

Vacant Municipal Manager

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



L.G Tloubatla

Chief Financial Officer:

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



B.M Mthombene

Acting Manager: Infrastructure Development.

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



P. Siebe

Acting 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.



T. Manaka

Acting 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 of Framework	15/08/2017	52	41	17	15 August 2017- Verbal
2 nd IDP Representative Forum: Analysis Phase	05/12/2017	25	36	32	02 December 2017- Verbal
Executive Mayors Imbizo & Batho	19/11/2017	26	105	22	19 November 2017- verbal

Pele Day					
3 rd IDP Representative Forum: Budget & IDP	20/03/2018	23	27	25	20 March 2018 - Verbal
4 th IDP Representative Forum	22/05/2018	40	71	10	22 May 2018- 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 2017 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 2017 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 Participation conducted prior to the development of by-laws (Yes or No)	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 Adjustment Budget March 2018
All current budget related policies	Yes	June 2018
2017/18 Annual Report	No	Not yet
		Not yet

The 2017/18 Annual Report published or to be published	No	
All current performance agreements in terms of section 57(1) (b) and resultant scorecards	Yes	2017/18 July 2017
All service delivery agreements of 2017/18	Yes	July 2017
All long term borrowing contracts	No	N/A
All quarterly reports tabled to Council All supply chain management contracts above a certain value	Yes	August 2017, January 2018 & April 2018 July 2018
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 2018/19

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

Capital Expenditure 2017/18: Road Services					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	No roads projects for 17/18	-	-	-	-

Waterberg District Municipality has adopted an Integrated Transport Plan in 2007 and was reviewed in 2016. 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	2017/18				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	0,69	34.2
4 - 6	0	1	0	0	0
7 - 9	1	1	1	0	0
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	2	4	2	0,69	34.2

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	2016/17		2017/18
		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	1	1	1	0	0%
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	--	--	-
16 - 18					
19 - 20	-		-	-	-
Total	2	2	2	0	0%

Details	2017/18			
	Actual	Original Budget	Adjustment Budget	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-
Expenditure:				
Employees	496 344	831 741	831 741	0%
Repairs and Maintenance	-	-	-	-
Other	0.00	3 298	3 298	0%
Total Operational Expenditure	496 344	835 039	835 039	0%
Net Operational (Service) Expenditure	(496 344)	(835 039)	(835 039)	

Capital Projects				
	Budget	Adjustment Budget	Actual Expenditure	Total Project Value
Total All	624 000	624 000	207 720.45	
Project A	624 000	624 000	207 720.45	
Project B	-	-	-	-
Project C	-	-	-	-
Project D	-	-	-	-

3.3.2 LOCAL ECONOMIC DEVELOPMENT

Employees: Economic Development					
Job Level	2016/17	2017/18			
	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 2017/18: Economic Development					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	
Expenditure:					
Employees	3 457 134.62	3 826 482.00	3 826 482.00	3 509 609.56	8.28%
Repairs and Maintenance	-	-	-	-	-
Other	1 495.00	3 298.00	3 298.00	0.00	0%
Total Operational Expenditure	3 458 629.62	3 829 780.00	3 829 780.00	3 509 609.56	3.33%
Net Operational (Service) Expenditure	(3 458 629.62)	(3 829 780.00)	(3 829 780.00)	(3 509 609.56)	

Jobs Created during 2017/18 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
-	No.	No.	No.	
Total (all initiatives)		-	-	-
Initiative A (16/17)	None	-	-	-
Initiative B (16/17)	-	-	-	-
Initiative C (16/17)	-	-	-	-
Job creation through EPWP* projects				

Year	EPWP Projects	Jobs created through EPWP projects	
	No.	No.	
2015/16	Mogalakwena VIP	350	EPWP Report
2016/17	Ga-Seleka VIP	15	EPWP Report
2017/18	Rapotokwane VIP	15	EPWP Report

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16		2016/17		2017/18	
		Target	Actual	Target	Actual	Target	Actual
<i>Service Indicators</i>							
(i)	(ii)						
Service Objectives; To ensure optimal utilisation of and adherence to space economy							
Job creation	Number of jobs created to LED Initiatives	50	3060	15	33	0	0

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 2017/18 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						
Roads, Pavements & Bridges	-	-	-	-	-	-
Storm water	-	-	-	-	-	-
Infrastructure – Electricity						
Generation	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-
Infrastructure – Water						
Dams &	-	-	-	-	-	-

<i>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	2017/18				
	Posts	Employees	Vacancies equivalents) (fulltime	Vacancies (as a % of total posts)	
	No.	No.	No.	%	
0 - 3	1	1	1	0	
4 - 6	2	2	2	0	
7 - 9	-	-	-	-	
10 - 12	-	-	-	-	
13 - 15	-	-	-	-	
16 - 18	-	-	-	-	
19 - 20	-	-	-	-	
Total	3	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 2017/18: Local Economic Development Services					
R'000					
	Actual 2016/17	Original budget	Adjustment budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	3 457 134.62	3 826 482.00	3 826 482.00	3 509 609.56	8.28%
Repairs and Maintenance	-	-	-		-
Other	1 495.00	3 298.00	3 298.00	0.00	0%
Total Operational Expenditure	3 458 629.62	3 829 780.00	3 829 780.00	3 509 609.56	3.33%
Net Operational (Service) Expenditure	(3 458 629.62)	(3 829 780.00)	(3 829 780.00)	(3 509 609.56)	
Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Local Economic Policy Objectives Taken From IDP				
Service	Outline	2015/16	2016/17	2017/18

Objectives	Service Targets						
		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%	100%	100%	0%
# of publications		1	1	1	3	2	2
# of jobs created by LED		40	3060	15	33	0	0
# of cooperatives supported		10	56	10	45	10	32

Employees: Local Economic Development					
Job Level	2016/17	2017/18			
	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	2016/17	2017/18			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue (excluding tariffs)	-	-	-	-	
Expenditure:					
Employees	3 457 134.62	3 826 482.00	3 826 482.00	3 509 609.56	8.28%
Repairs and Maintenance	-	-	-	-	-
Other	1 495.00	3 298.00	3 298.00	0.00	0%
Total Operational Expenditure	3 458 629.62	3 829 780.00	3 829 780.00	3 509 609.56	3.33%
Net Operational (Service) Expenditure	(3 458 629.62)	(3 829 780.00)	(3 829 780.00)	(3 509 609.56)	
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 2017/18: Local Economic Development					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					

Project A	150 000	150 000	0.00	0%	-
Project B	50 000	50 000	0.00	0%	-
Project C	30 000	30 000	13 100	56.33%	-
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	2015/16		2016/17		2017/18	
		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		40	46	50	55	10	15
% of funeral undertakers complying to standards		-	-	-	-	-	-
# of listed activities in terms of AQA		20	21	20	18	20	15
# of ambient air quality report submitted		12	9	2	3	3	3
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.							

Environmental Protection					
Job Level	2016/17	2017/18			
	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 2017/18: Environmental Protection					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-		-
Expenditure:					

Employees	9 326 626.58	9 959 220.00	9 959 220.00	8 909 498.01	10.54%
Repairs and Maintenance	-	-	-		-
Other	0.00	2 341.00	2 341.00	0.00	100%
Total Operational Expenditure	9 326 626.58	9 961 561.00	9 961 561.00	8 909 498.01	
Net Operational (Service) Expenditure	(9 326 626.58)	(9 961 561.00)	(9 961 561.00)	(8 909 498.01)	
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 2017/18: Environmental Protection					
					R' 000
Capital Projects	2017/18				
	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	2015/16		2016/17		2017/18	
		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%	75% 16/12	12	6/12	12	7/12
% of food samples collected and analysed		-	-	-	-	-	-
# of permitted landfill sites monitored		8	50	8	5/8	8	6/8
% of food outlets issued with certificate of compliance		100%	100% 132/132	100%	100% 99/99	100%	100% 101

Employees: Health inspection, food and abattoir licensing and inspection					
Job Level	2016/17	2017/18			
	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 2017/18: Health inspection, food and abattoir licensing and inspection					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment	Actual	Variance to Budget

			Budget		
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	9 326 626.58	9 959 220.00	9 959 220.00	8 909 498.01	10.54%
Repairs and Maintenance	-	-	-	-	-
Other	0.00	2 341.00	2 341.00	0.00	100%
Total Operational Expenditure	9 326 626.58	9 961 561.00	9 961 561.00	8 909 498.01	
Net Operational (Service) Expenditure	9 326 626.58	(9 961 561.00)	(9 961 561.00)	(8 909 498.01)	
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 2017/18: Health inspection, food and abattoir licensing and inspection					
					R' 000
Capital Projects	2016/17				
	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

Firefighting Taken From IDP							
Service Objectives	Outline Service Targets	2015/16		2016/17		2017/18	
		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	22	24	23	24	20
% of building plans approved	-	100%	100% 32/32	100%	100% 21/21	100%	100% 15/15
% of transport permits issued by local municipalities	-	-	-	N/A	-	-	-
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	2016/17	2017/18			
	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 2017/18: Fire-fighting					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	3 917 812.98	7 879 652.00	7 879 652.00	4 618 906.34	41.38%
Repairs and Maintenance	-	-	-	-	-
Other	465	1 915.00	1 915.00	0.00	100%
Total	3 918 277.98	7 881 567.00	7 881 567.00	4 618 906.34	

N.B Same as Disaster management.

Capital Expenditure 2017/18: Fire-fighting					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects for 2017/18				
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	2015/16		2016/17		2017/18	
		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	4	4	4	4	2
# of Disaster Management Annual Report submitted	-	1	1	1	1	1	1
% of transport permits issued by local municipalities		-	-	N/A	-	-	-
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	2016/17	2017/18			
	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 2017/18: Disaster Management					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)		-	-		-
Expenditure:					
Employees	1 771 075.52	7 879 652.00	7 879 652.00	4 618 906.34	41.38%
Repairs and Maintenance	-	-	-	-	
Other	0.00	1 915.00	1 915.00	0.00	100%
Total Operational Expenditure	1 771 075.52	7 881 567.00	7 881 567.00	4 618 906.34	
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 2017/18: Disaster Management					
R' 000					
Capital Projects	2017/18				
	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	2015/16		2016/17		2017/18	
		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	2017/18				
	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 2017/18 Sports and Recreation					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	342 456.00	385 068.00	385 068.00	385 068.00	100%
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	342 456.00	385 068.00	385 068.00	385 068.00	100%
Net Operational (Service) Expenditure	(342 456.00)	(385 068.00)	(385 068.00)	(385 068.00)	-
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 2017/18: Sports and Recreation					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	-	-
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).					

3.9 Component I- Corporate Policy, Offices and Other Offices

The Executive and Council objectives taken from IDP							
Service Objectives	Outline Service Targets	2015/16		2016/17		2017/18	
		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	7	4	8	4	9
% of Councils resolutions implemented		100%	91% 71/78	100%	93% 81/87	100%	
# of MPAC meetings held		4	4	4	4	4	4
# of IDP Representative Forum meetings held		4	4	4	4	4	4

Employees: Executive Support					
Job Level	2016/17	2017/18			
	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	2	2	0
10 - 12	2	2	1	1	0
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	12	13	7	8	100

Financial Performance 2017/18: Executive Support					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-
Expenditure:					
Employees	4 435 003.32	6 379 376.00	6 379 376.00	4 049 202.86	36.52%
Repairs and Maintenance	-	-	-	-	-
Other	930	2 776.00	2 776.00	1 401.12	49.5%
Total Operational Expenditure	4 435 933.32	6 382 152.00	6 382 152.00	4 050 603.98	
Net Operational (Service) Expenditure	(4 435 933.32)	(6 382 152.00)	(6 382 152.00)	(4 050 603.98)	
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 2017/18: Executive Support					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 800 000.00	1 800 000.00	1 268 742.00	29.5%	
Project A	1 600 000.00	1 600 000.00	1 221 849.00	23.63%	--
Project B	200 000.00	200 000.00	46 893	76.55%	-
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	2015/16		2016/17		2017/18	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective: To effectively manage finances and improve sustainability							
% of cost coverage	-	100%	120%	100%	703%	100%	658%
% of Capital budget	-	10%	28%	10%	45%	10%	25%
% of orders issued within 10 working days of receipt of requisition		100%	100%	100%	100%	100%	100%
# of MFMA S71 reports submitted on time		12	12	12	12	12	12

Employees: Financial Services					
Job Level	2016/17	2017/18			
	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	5	0	0
10 - 12	5	5	0	0	0
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	15	16	16	-	-
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 2017/18: Financial Services					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	113 277 000.00	135 380 814.00	135 380 814	134 553 313	0.61%
Expenditure:					
Employees	6 300 545.11	6 258 450.00	6 258 450.00	5 453 859.85	12.85%
Repairs and Maintenance	-	-	-	-	-
Other	46 213.73	77 672.00	77 672.00	39 329.73	49.3%
Total Operational Expenditure	6 346 758. 84	6 336 122.00	6 336 122.00	5 493 189.58	
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 2017/18: Financial Services					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No project -	-	-	-	
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).					

HUMAN RESOURCE SERVICES

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service	2014/15		2015/16		2016/17		2017/18	
	Targets								
<i>Service Indicators</i>		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%	50%	56%	50%	55%	50%	100%	50%	55%
# of LLF meetings held	4	4	8	4	9	4	8	4	9
# of HR policies reviewed	2	2	22	2	10	2	5	2	8
% of injuries on duty attended within 5 days	100%	100%	0%	100%	100% 7/7	100%	100% 3/3	100%	100% 0/0

		Employees: Human Resource Services				
Job Level	2017/18					
	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 2017/18: Human Resource Services						
R'000						
Details		2016/17	2017/18			
		Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)		-		-		-
Expenditure:						
Employees		8 266 867.12	7 763 023.00	7 763 023.00	6 797 622.24	12.43%
Repairs and Maintenance		-	-	-	-	
Other		9 051.49	9 257.00	9 257.00	10 469.26	(13.10%)
Total Operational Expenditure		8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50	
Net Operational (Service) Expenditure		8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50	
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 2017/18: Human Resource Services						
R' 000						
Capital Projects	2017/18					
	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			2017/18			
	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 2017/18: Human Resource Services						
R'000						
Details	2016/17		2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue (excluding tariffs)	-		-		-	
Expenditure:						
Employees	8 266 867.12	7 763 023.00	7 763 023.00	6 797 622.24	12.43%	
Repairs and Maintenance	-	-	-	-		
Other	9 051.49	9 257.00	9 257.00	10 469.26	(13.10%)	
Total Operational Expenditure	8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50		
Net Operational (Service) Expenditure	8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50		
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 2017/18: Human Resource Services						
R' 000						
Capital Projects	2017/18					
	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	2015/16		2016/17		2017/18	
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%	99.98%	95%	99.9%	95%	99.9%
% 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	2017/18			
	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	2017/18			
	Original Budget	Adjusted Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-
Expenditure:				
Employees	7 763 023.00	7 763 023.00	6 797 622.24	12.43%
Repairs and	-	-	-	

Maintenance				
Other	9 257.00	9 257.00	10 469.26	(13.10%)
Total Operational Expenditure	7 772 280.00	7 772 280.00	6 808 091.50	
Net Operational (Service) Expenditure	7 772 280.00	7 772 280.00	6 808 091.50	

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 2017/18: ICT Services

R' 000

Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	600 00	600 000	159 971	73.3%	-
Project A	600 00	600 00	159 971	73.3%	-
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	2017/18				
	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 2017/18: ICT Services

R'000

Details	2017/18			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-
Expenditure:				
Employees	7 763 023.00	7 763 023.00	6 797 622.24	12.43%
Repairs and Maintenance	-	-	-	
Other	9 257.00	9 257.00	10 469.26	(13.10%)
Total Operational Expenditure	7 772 280.00	7 772 280.00	6 808 091.50	
Net Operational (Service) Expenditure	7 772 280.00	7 772 280.00	6 808 091.50	

Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
Capital Expenditure 2017/18: ICT Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	600 00	600 000	159 971	73.3%	-
Project A	600 00	600 00	159 971	73.3%	-
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	2015/16		2016/17		2017/18	
		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%	30%	15%	30%	10%	30%	15%
% of corruption cases reported to SAPS	100%	100%	0%	100%	0%	100%	0%
% of projects specifications ready before end of financial year	100%	100%	50%	100%	20%	100%	10%
% of risks addressed	100%	100%	84%	100%	44%	100%	75%
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 2017/18 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	2017/18				
	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 2017/18: Property; Legal; Risk Management; and Procurement Services					
R'000					
Details	2017/18				
	2017/18	Original	Adjustment	Actual	Variance
Total Operational Revenue (excluding tariffs)		-	-	-	
Expenditure:					
Employees	8 266 867.12	7 763 023.00	7 763 023.00	6 797 622.24	12.43%
Repairs and Maintenance	-	-	-	-	
Other	9 051.49	9 257.00	9 257.00	10 469.26	(13.10%)
Total Operational Expenditure	8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50	
Net Operational (Service) Expenditure	8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50	
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 2017/18: Property; Legal; Risk Management; and Procurement Services					
R' 000					
Capital Projects	2017/18				
	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	2017/18			
	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 2017/18: Property; Legal; Risk Management; and Procurement Services

R'000

Details	2017/18				
	2016/17 Actual	Original	Adjustment	Actual	Variance
Total Operational Revenue (excluding tariffs)		-	-	-	
Expenditure:					
Employees	8 266 867.12	7 763 023.00	7 763 023.00	6 797 622.24	12.43%
Repairs and Maintenance	-	-	-	-	
Other	9 051.49	9 257.00	9 257.00	10 469.26	(13.10%)
Total Operational Expenditure	8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50	
Net Operational (Service) Expenditure	8 275 918.61	7 772 280.00	7 772 280.00	6 808 091.50	

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

Capital Expenditure 2017/18: Property; Legal; Risk Management; and Procurement Services

R' 000

Capital Projects	2017/18				
	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).					

3.10 Component J- Miscellaneous

Internal Audit Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16		2016/17		2017/18	
		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%	31/32	100%	98% 51/52	100%	20%
# of Audit Committee meetings		4	5	4	6	4	2
% of Internal audit queries resolved		100%	85%	100%	14/20 70%	100%	60% 6/10
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	2016/17	2017/18			
	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 2017/18: Internal Audit					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-

Expenditure:					
Employees	4 389 204.98	4 061 144.00	4 061 144.00	2 923 134.07	28%
Repairs and Maintenance	-	-	-	-	-
Other	860.00	3 724.00	3 724.00	3 416.00	8.27%
Total Operational Expenditure	4 390 064.98	4 064 868.00	4 064 868.00	2 926 550.07	
Net Operational (Service) Expenditure	(4 390 064.98)	(4 064 868.00)	(4 064 868.00)	(2 926 550.07)	
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 2017/18: Internal Audit					
R' 000					
Capital Projects	2017/18				
	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	2015/16		2016/17		2017/18		
		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
# of Monitoring and Evaluation Forum meetings held	-	4	4	4	-	4	4	4
% of highly rated IDP developed	-	100%	100%	100%	-	100%	100%	100%
# of Municipal Managers Forum meetings held	-	4	4	1	-	4	4	2
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	2016/17	2017/18			
	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 2017/18: Strategic Support and Planning					
					R'000
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	-	-	-		-
Expenditure:					
Employees	4 389 204.98	4 061 144.00	4 061 144.00	2 923 134.07	28%
Repairs and Maintenance	-	-	-	-	-
Other	860.00	3 724.00	3 724.00	3 416.00	8.27%
Total Operational Expenditure	4 390 064.98	4 064 868.00	4 064 868.00	2 926 550.07	
Net Operational (Service) Expenditure	(4 390 064.98)	(4 064 868.00)	(4 064 868.00)	(2 926 550.07)	
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 2017/18: Strategic Support and Planning					
					R' 000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	688 400	688 400	298 251	57%	
Project A	372 400	372 400	113 772	69.4%	
Project B	316 000	316 000	184 479	42%	
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

2017/18 INSTITUTIONAL SCORE CARD

N O.	KPA	Strategic Objective	Program me / Focus area	Performanc e Indicators	Respon sible depart ment	Basel ine 2016 /17	2017 /18 Annu al Targe t	Actual Perform ance	Varia nce	Remarks	Remedial Action	Evidence
1.	Spatial rationale	To facilitate access and transform land and rural tourism development	Integrate d Planning	% Highly rated IDP	OMM	100%	100%	100% The MEC assessment for 2018/19 IDP rated high	0%	The final assessment was issued end of July 2018	None	Council resolution IDP
2.	Spatial rationale	To facilitate access and transform land and rural tourism development	Integrate d Planning	% of IDP adopted by council by 31 May 2018	OMM	100%	100%	100% the final 18/19 IDP approved 31 May 2018	0%	The final 18/19 IDP Placed on the website for public comments. The document submitted to NT,PT and CoGHSTA	None	Council resolution
3.	Spatial rationale	To facilitate access and transform land and rural tourism development	Integrate d Planning	% of SDF & land use management system developed & approved in line with the SPLUMA	PED	50%	100%	0%	100%	No SDF and LUMS reviewed.	Develop programme for view of SDF and LUMS for local Municipalities	SDF,LUMS & SPLUMA
4.	Basic service delivery	To coordinate & monitor infrastructure development for the provision & access to services	Municipal health	% food outlets issued with certificates of compliance (for outlets that comply with set standard)	SDCS	100% 99/99	100%	100% 101/101 Certificates of acceptability were issued for the year 2017/18	0%	101 food outlets issued with certificates of acceptability from July 2017- June 2018	None	Application, Assessment report & certificate Annual register

N O.	KPA	Strategic Objective	Program me / Focus area	Performanc e Indicators	Respon sible depart ment	Basel ine 2016 /17	2017 /18 Annu al Targe t	Actual Perform ance	Varia nce	Remarks	Remedial Action	Evidence
5.	Basic service delivery	To coordina te & monitor infrastru cture develop ment for the provision & access to services	Municipal health	# of permitted land fill site monitored	SDCS	5/8	8	6/8 land fill sites monitor ed	2	Northam land fill site monitored 5 times, Mokopane 3, Rebone 1, Mookgophong 2 Mabatlane 4, Bela-Bela 2 (17)	Impleme nt the norms and standards and report quarterly	Reports, assessment report & Register
6.	Financial managem ent and viability	To effectivel y manage finances and improve financial sustaina bility	Expendit ure Manage ment	% Operating budget variance in terms of SDBIP	ALL	20.31 %	10%	14%	4%	Due to vacancies – MM, Manager ID, Manager CSSS, IDP/PMS officer and 3 Slaughterers at Abattoir	Fastrack the filing of vacancies in all departme nts	Annexure B Financial report
7.	Financial managem ent and viability	To effectivel y manage finances and improve financial sustaina bility	Expendit ure Manage ment	% Capital budget variance in terms of SDBIP	ALL	14%	10%	25%	15%	25% annual variance vs Quarterly target of 10%	Expedite EPWP and RRAMS Project completio n	Annexure D financial report
8.	Local Economic Developm ent	To ensure optimal utilisatio n and adherenc e to space economi c	Job creation	% of LED forums resolutions implemente d	PED	100% 9/9	100%	48% 9/19 resolutio ns resolved	52%	3/5 Q1 3/3 Q2, 2/6 Q3, 1/5 Q4 Most of the outstanding resolutions are at continuous bases and to be done by external parties.	None	Minutes Attendance register and resolution register
9.	Local Economic Developm ent	To ensure optimal utilisatio n and adherenc e to space economi c	Job creation	# of jobs created through EPWP	ID	15/1 5	15	15/15 jobs create	0	Project on construction	None	EPWP job report Contracts and IDs
10.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce systems	Monitori ng and Evaluatio n	% of Submission of Annual Performanc e Report (sec 46 MSA) by 31 August 2017.	OMM	100%	100%	100% APR 2016/17 submitte d 31 August 2017	0%	Sec 46 report – Unaudited Performance report was submitted to AG,NT,PT and CoGHSTA on 31 August 2017	None	Submission letter

N O.	KPA	Strategic Objective	Program me / Focus area	Performanc e Indicators	Respon sible depart ment	Basel ine 2016 /17	2017 /18 Annu al Targe t	Actual Perform ance	Varia nce	Remarks	Remedial Action	Evidence
11.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce systems	Auditing	% of AG - Audit outcome	ALL	100%	100%	50% Qualified audit opinion 2016/17	50%	Due to irregular expenditure and misstatement on the AFS -Cash flow	To adhere to legislative requirement and avoid all misstate ments for 2017/18 AFS	Audit Opinion
12.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce systems	Auditing	Average % AG material audit queries resolved	ALL	96%	100%	96% 51/53	4%	2 outstanding queries are 2015/16 annual evaluation and the appointment SP for the AFS preparation.	Dedicate d personnel to prepare the AFS will be hired by end of Q4 and The 2015/16 annual evaluatio ns are re-schedule d to October 2018.	Audit action plan
13.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce systems	Auditing	% Identified risk mitigated within timeframes as specified in risk plan	ALL	50% 9/18	100%	40% 4/10	60%	4/10 risks mitigated. The 6 outstanding risks are due to financial constrains to mitigate	Develop strategy to mitigate all identified risks.	Risk register
14.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce systems	Auditing	% of internal Audit finding resolved	ALL	70% 14/20	95%	60% 6/10	40%	6/10 internal Audit findings resolved.	Expedite resolving IA Queries	Internal Audit action plan
15.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage	Auditing	% of Audit Committee recommendations implemented	ALL	85% 5/6	100%	100% 7/7 resolutions resolved Q1	100%	The term of office for the previous committee ended 31 December 2018. A full committee was constituted in June 2018 after	None	Audit Committee recommendations

N O.	KPA	Strategic Objective	Program me / Focus area	Performanc e Indicators	Respon sible depart ment	Basel ine 2016 /17	2017 /18 Annu al Targe t	Actual Perform ance	Varia nce	Remarks	Remedial Action	Evidence
		ment and governan ce systems								one member declined the offer in April 2018.		
16.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce systems	Governan ce	% Council resolutions implemente d within timeframes	ALL	88.29 % 83/9 4	100%	78% 49/63 resolutio ns impleme nted	22%	Outstanding resolution appointment of senior Managers including the Municipal Manager	Apply for a waiver to the Minister for the institutio n to be attractive to potential candidate s for the vacant positions.	Council resolutions implemente d register
17.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce	Public Participat ion	# of IDP Representat ive Forum meetings convened	OMM	4/4	4	4/4 IDP Rep Forum held.	0	Q1 held 15 August 2017- Bela-Bela LM, Q2 held 05 Dec 2017 Mogalakwena LM, Q3 held 20 March 2018- Modimolle/Mook gophong LM, Q4 held 22 May 2018 –Lephalale LM	None	Invitation Agenda Minutes Attendance register
18.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce	Governan ce	% of MPAC resolutions implemente d	ALL	100% 6/6	100%	100% 10/10 resolutio ns resolved	0%	4/4 Performance Assessment Report , 4/4 Back to Basics report and UIF cancellation and Approval of 2016/17 Oversight report	None	Resolution register
19.	Good Governan ce and Public Participati on	To develop and impleme nt integrate d manage ment and governan ce	Governan ce	Oversight report approved by council by 31 march	OMM	1/1	1	1/1 2016/17 MPAC Oversigh t report was approve d by council 28 March 2018	0	The Oversight on 2016/17 AR placed on the website for public viewing.	None	Council resolution
20.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Human Resource s Manage ment	# of Senior Manageme nt with signed Performanc e Agreements	OMM	7/7	6	6/6 Annual Perform ance Agreeme nts were signed July 2017	0	All 6/6 Managers signed the 2017/18 Performance agreement.	None	Agreements

N O.	KPA	Strategic Objective	Program me / Focus area	Performanc e Indicators	Respon sible depart ment	Basel ine 2016 /17	2017 /18 Annu al Targe t	Actual Perform ance	Varia nce	Remarks	Remedial Action	Evidence
21.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Human Resource s Manage ment	# of officials capacitated in terms of workplace skills	CSSS	93/40	40	47/40	(7)	6 councillors were capacitated in Q2 and 1 Official was capacitated as at June 2018	None	Report
22.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Human Resource s Manage ment	# of internship & learnership opportunities created	CSSS	4/4	4	4/4 Learnership opportunities were created	0	All learnership and internship opportunities are filled	None	Report Appointment letters attached
23.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Organisat ional Develop ment	% of approved SDBIP aligned with the IDP & Budget	OMM	100%	100%	100% Final SDBIP approved as per legislative requirement	0	The Draft was tabled in council 31 May 2018 and approved 15 June 2018 by EM	None	Approved SDBIP
24.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Monitori ng and Evaluatio n	# of Annual Performanc e evaluation conducted	OMM	0/1	1	0/1	1	No evaluation due to no chairperson of Audit committee	The 16/17 and 15/16 Evaluation scheduled October 2018	Attendance register
25.	Transform ation and Organisati onal Developm ent	To attract, develop and retain ethical and best human capital	Monitori ng and Evaluatio n	% of Annual report (sec 121) adopted & submitted to MEC by 31 March 2018	OMM	100%	100%	100% The final Annual Report was approved by council without Reservation 28 March 2018.	0%	Tabled 25 January 2018 and public comments were opened from February to March 2018	None	Council resolution & submission letter

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 2016/17	Target 2017/2018 reports	Actual report 2017/18
1.	Bela-Bela	4	4	4
2.	Modimolle -Modimolle	2	4	2
3.	Mogalakwena	2	4	2
4.	Lephalale	4	4	4
5.	Thabazimbi	2	4	4
	TOTAL	14	24	16

5. Other External service providers (top TEN)

✦ The table below shows the top ten external service provider

No.	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	Actual 16/17	Actual 16/17	Actual 2017/18
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	R2 733 900.41	R818 125	R1 437 261
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	R436 252.04	R411 169	R130 654.91
3.	Rental Of Building- Thabazimbi	01 May 2013	Bertie Joubert Properties	12 Months	Renewable Yearly	R 5350.00 plus 7% increase yearly	SDCD	R78 960.00	R89 566.80	R24 904.50	R79 579	R80 557
4.	Rental Of Building- mokopane	01 May 2013	Bergh & De Bruyn	12 Months	Renewable Yearly	R30 550.00 Plus 7% increase Yearly	SDCD	R399 594.00	R478673.88	R162 349.86	R473 582	R505 604
5.	Data Enrichment, Online Information Bureau	01 May 2014	Crosscheck Information Bureau	3 years	Renewable Yearly	R240 000.00	BTO	R240 000.00	R240 000.00	R100 000.00	R240 000.00	R200 526.32
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	R513 706.32	R2 143 200.00	R2 626 764.12
7.	Supply Of Digital Lines And Voip System	30 April 2014	Callsave	3 years	N/A	Charges Per Call	CSSS	R454 926.45	R263 296.93	R101 074.70	R558 823.00	R357 387.62
8.	Maintenance of WDM	02 April 2015	M2M/Sithembekile JV	3 years	30 June 2018	Units per rate	ID	N/A	N/A	R1 173 563.44	R1 100 000.00	R1 803 185.83

	building, Disaster and abattoir											
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 116 193.16	R5 000 000.00	R2 221 243.61
10.	Maintenance Financial System	29 June 2015	Munsoft Pty Ltd	3 years	30 June 2016	750 000	BTO	N/A	N/A	R119 397.41	R1 318 000	R1 819 391.04

6. 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 155 of which 72 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 2017/18 as at 30 June 2018								
	Department	Management	Technical	Labour	Support	Total	Vacant	% of vacant positions
1	Budget and Treasury Office	4	-	-	11	15	1	0.15
2	Office of Municipal Manager	3	-	0	6	9	0	0.0
3	Corporate Support and Shared Services	3	-	8	13	24	0	0.0
4	Planning and Economic Development	4	-	16	6	26	2	0.78
5	Infrastructure Development	2	1	-	1	4	1	0.04
6	Executive Support	4	-	-	11	15	1	1.44
7.	Social and Community Services	3	-	-	59	62	1	0.72
	Totals	23	1	24	107	155	6	3.87

In general 96% 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	2016/17	2017/18			
	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	1	0	-
Planning	2	2	2	0	0%
Local Economic Development	3	3	3	0	0%
Planning (Strategic & Regulatory)	4	4	4	0	-
Infrastructure services	3	3	2	1	0%
Environmental Protection					
Municipal Health	31	31	31	0	0%
Security and Safety	24	25	24	1	-

Sport and Recreation	1	1	1	0	0%
Corporate Policy Offices and Other	82	88	83	4	0%
Totals	129	155	149	6	96

Vacancy Rate 2016/17

Designations	*Total Posts	Approved	*Variances (Total time that vacancies exist using equivalents)	(Total fulltime	*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)	4		0		0
Other S57 Managers (Finance posts)	-		-		-
Municipal Police	-		-		-
Fire fighters	25		1		-
Divisional management: Levels 3 Posts)	17		1		
Senior Officials Levels 4-5 posts	12		0		0
Officers Level 6-8 posts)	53		1		4
Officers Levels 9- 15 (Finance posts)	42		3		0
Total	155		6		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.	
2014/15	22	5	3.9
2015/16	13	4	2.8
2016/17	31	9	6.04
2017/18	7	5	29.2

* 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 leave taken per employee	Average Leave per employee	Injury per	Total Estimated Cost

	Days	No.	%	Days	R'000	
Required basic medical attention only	-	-	-	-	-	
Temporary total disablement	16	4	0,06	0,1	R 5 599.00	
Permanent disablement	-	-	-	-	-	
Fatal	-	-	-	-	-	
Total	16	4	0,06	0,1	R 5 599.00	
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)	201	10.36	26	25	8.04	
Skilled (Levels 10)	22	17.66	4	4	5.5	
Highly skilled production (levels 7- 9)	346	14.5	43	45	7.70	
Officers (levels 4-6)	308	14.10	31	35	8.8	
Divisional management (Levels 3)	154	19.08	14	13	11.8	
MM and S57	43	10.75	4	7	6.14	
Total	1 074	86.45%	122	129	8.32	
* - 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 7 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	Leave Management	100%	100%	31 May 2018
2	Employment Practices	100%	100%	31 May 2018
3	Conditional Grant	100%	100%	31 May 2018
4	Training and Development	100%	100%	31 May 2018
5	S&T	100%	100%	31 May 2018
6	Cell phone allowance	100%	100%	31 May 2018
7	Fleet management	100%	100%	31 May 2018
8				
9				
10				
11				
12				
13				
14				
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, Gross Insolence, unauthorised publication of information to outsiders, undermining WDM council, putting WDM into disrepute		dismissed	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	
-	-	-	-	-
2015/16	-	-	-	-
2016/17	-	-	-	-
2017/18	-	-	-	-

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 2018

Management Level	G	Employee On 30/06/18	Leanership	Skills Programme And other short courses	Others forms of training	Total
			Actual 2017/18	Actual 2017/18	Target	Actual 2017/18
MM and S57	M	1	1	-	-	1
	F	1	1	-	-	1
Councillor	M	-	-	-	-	-
	F	3	3	-	-	3
DMs and SOs	M	4	4	-	-	4
	F	1	1	-	-	1
Technicians and Associate professionals	M	-	-	-	-	-
	F	-	-	-	-	-
Associate Professionals	M	-	-	-	-	-
	F	-	-	-	-	-
Professionals	M	10	-	10	-	10
	F	20	1	19	-	20
Unskilled	M	16	1	15	-	16
	F	14	1	13	-	14
Subtotal	M	31	7	25	-	40
	F	39	8	32	-	38
Total		70	15	67	-	78

4.1 Component D-Managing the Workforce Expenditure

4.1.1 Skills Development: Expenditure

Management Level	G	Employee as at 30/06/18	Leanership		Skills Development		Other forms		Total
			Original budget	Actual budget	Original Budget	Actual budget	Original budget	Actual budget	
MM and S5&	M	1	R 39 600	R 39 600					R 69 600
	F	1	R 39 600	R 39 600	-	-	-	-	-
Councillors	F	3	R 119 700	R 119 700	-	-	-	-	R 119 700
	M	-	-	-	-	-	-	-	-
DMs and SOs	M	4	R 158 400	R 158 400	-	-	-	-	R 158 400
	F	1	R 39 600	R 39 600	-	-	-	-	R 39 600
Technicians and Associate professionals	M	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-
Professionals	M	10	R 39 600	R 39 600	R 32 000	R 32 000	-	-	R 71 600
	F	20	-	-	R 60 800	R 60 800	-	-	R 60 800
Unskilled	M	16	-	-	R 24 971	R 24 971	-	-	R 24 971
	F	14	-	-	R 19 250	R 19 250	-	-	R 19 250
Subtotals	M	31				-	-	-	
	F	39				-	-	-	
Totals		70	R 436 500	R436500	R 137 021	R137021		-	R 573 521

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	14	0	14	6	1	4
Accounting Officer	0	0	0	0	0	0
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	23	0	23	14	9	12

COMPONENT A

STATEMENTS OF FINANCIAL PERFORMANCE ENDED 30 JUNE 2018

5.1 STATEMENTS OF FINANCIAL PERFORMANCE 2017/18 FY

	Note(s)	2018	2017
Revenue			
Revenue from exchange transactions			
Service charges		1 061 089	915 947
Interest earned - External investments	19	11 490 576	14 558 987
Interest earned - Receivables	19	64	88
Other income	20	26 561	138 414
Total revenue from exchange transactions		12 578 290	15 613 436
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	21	121 975 023	125 360 300
Total revenue		134 553 313	140 973 736
Expenditure			
Employee related costs	23	(81 931 295)	(72 955 070)
Remuneration of councillors	24	(7 893 985)	(6 768 848)
Post-retirement health care expenditure		(2 089 719)	(744 742)
Long-service award expenditure		(563 421)	(950 230)
Depreciation and amortisation	25	(6 415 577)	(6 197 671)
Repairs and maintenance		(3 282 072)	(2 308 454)
Contracted services	27	(7 488 107)	(13 520 885)
Project expenditure	29	(10 026 646)	(15 944 574)
General Expenses	28	(22 023 318)	(18 396 398)
Total expenditure			

(141 714 140)(137 786 872)

Loss on disposal of assets

- (13 940)

Surplus (deficit) for the year

(7 160 827) (3 172 924)

5.2 GRANTS

Grant Performance

Description	2016/17	2017/18			2017/18 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	113 277 000	117 373 000	117 372 513	113 372 513	100%	3.02%
Municipal System Improvement	-	1 636 000	1 636 000	-	0	0
EPWP incentive	943 978	1 000 000	1 000 000	0	0%	0%
Financial Management	1 250 000	1 250 000	1 250 000	1 250 000	100%	0%
MIG (PMU)	-	-	-	-	0	0
Rural Roads Assets Management Grant	1 897 000	2 129 000	2 129 000	1 549 910	72.8%	27.2%
MWIG	-	-	-	-	-	-
MIG	-	1 500 000	1 500 000	1 500 000	100%	0%
Provincial Government	-	-	-	-	0	0
LEDET	200 045	-	-	-	-	-
LGSETA	-	-	-	-	-	-
Wildlife Centre	-	-	-	-	-	-
Tourism Grant	46 660	-	-	-	-	-
Other Grants providers (Mayor's Golf day)	45 550	-	-	-	-	-
Total Operating transfers	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 2017/18

Asset 1

Name of asset	Specialised vehicles
Description	No capital assets were bought in 2017/18 due to budgetary constraints.
Asset type	
Key Staff involved	
Staff responsible	
Key Issues	

Asset value	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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 2017/18 due to budgetary constraints.
Description	
Asset type	
Key Staff involved	
Staff responsible	
Key Issues	

Asset value	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18

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	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		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 2017/18

Repairs and maintenance expenditure	Original budget 2 129 004	Adjustments budget 2 129 004	Actual 1 359 570.60	Variance 36.14%
-------------------------------------	------------------------------	---------------------------------	------------------------	--------------------

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Ratio	Basis of calculation	2015/16	2016/17	2017/18
Liquidity current ratio	Current assets/current liabilities	11,48%	2.26%	
Cost Coverage	Available cash + investments/ Monthly fixed operations	12.5%	703%	658%
Service debtors to revenue	Total outstanding service debtors/annual revenue for services	299.7%	2%	5%
Debt coverage	Total operating-operating grants/ debt service payment due within financial year	1.30%	2%	5%
Capital charges to operating	Interest and principal paid/operating expenditure	0%	0%	0%
Employee costs	Employee costs/ Total revenue- capital revenue	35,8%	46.4%	48.3%
Solvability	Total assets/total liabilities	7,79		28.18%

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	75%	32 335 199	32 335 199	24 144 551
Operating expenditure on IDP	86.16%	154 787 902	154 787 902	133 372 696
Total expenditure	85.7%	72 590 813	101 354 813	86 866 531

5.6 SOURCES OF FINANCE

Details	2016/17 Actual	2017/18 Original budget	2017/18 Adjustments budget	2017/18 Actual	Variance in %
1.External loans	-	-	-	-	-
2.Public contribution and donations	-	-	-	-	-
3.Grants and subsidies	125 360300	135 180 813	135 180 813	134 553 313	3.99%
4. Other	-	-	-	-	-
Total	-	-	-	-	-
Entity	-	-	-	-	-
1.External loans	-	-	-	-	-

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

5.7 CAPITAL SPENDING ON 3 LARGEST PROJECTS

2017/18				Variance current year	
Name of project	Original budget	Adjustments budget	Actual expenditure	Original budget %	Adjustments budget %
A	17 641 308	17 641 308	17 641 308	100%	0%
B	2 129 000	2 129 000	1 549 910	100%	0%
C					

Name of project - A

Objective of the project: Thabazimbi waste water treatment plant

Delays: none

Future challenges: none

Anticipates citizen benefits: access to sanitation

Name of project - B

Objective of the project; Rural Road Asset Management System (RRMS)

Delays- none

Future challenges: Employment of Graduates.

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 2018

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)	2018	2017
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 009 692	917 541
Grants		141 152 000	146 387 600
Interest income - Investments		11 490 575	14 558 987
Interest income - receivables		64	88
Other receipts		129 161	140 496
VAT receipts		11 635 485	9585 409
		165 416 977	171 588 527
Payments			
Employee costs		(88 582 833)	(78 527 741)
Suppliers		(26 763 259)	(19 503 950)
Other payments for VAT		(6 102 513)	(12 465 030)
Project expenditure		(8 124 973)	(16 142 267)
Thabazimbi project expenditure		(15 791 399)	(62 458 973)
Contracted services		(7 488 107)	(13 520 885)
Other payments		(11 737 768)	(4 072 886)
		(164 590 852)	(206 676 198)
Net cash flows from operating activities	30	826 127	35 101 611
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(1 178 228)	(253 689)

Purchase of other intangible assets	10	(78 000)	(6 131)
Net cash flows from investing activities		(1 256 228)	(273 760)
Cash flows from financing activities			
Decrease/(Increase) in Held-to-maturity investments		1 593 407	(6 061 657)
Net cash flows from financing activities		1 593 407	(6 061 657)
Net increase/(decrease) in cash and cash equivalents		1 163 306	(41 423 088)
Cash and cash equivalents at the beginning of the year		94 790 916	136 214 004
Cash and cash equivalents at the end of the year	3	95 954 222	94 790 916

5.10 BORROWING AND INVESTMENTS

	2015/16 Actual	2016/17 Actual	2017/18 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 SCM regulations and policy without fear or favour. The unit has only 1 official 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.

COMPONENT A

AUDITOR-GENERAL OPINION 2016/17

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

I have audited the financial statements of the Waterberg District Municipality set out on pages ... to ..., which comprise statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the basis of qualified opinion, the financial statements present fairly, in all material respects, the financial position of the Waterberg District Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with South African standard of Generally Recognised Accounting Practice (SA Standard of GRAP) and the requirements of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA) and Division Of Revenue Act of South Africa (Act No.3 of 2016) (DORA).

BASIS FOR QUALIFIED OPINION

Irregular expenditure

In terms of section 170 of the MFMA, only the National Treasury may condone non-compliance with a regulation issued in terms of the MFMA or a condition imposed by the Act itself. Contrary to the above, the municipal council condoned prior years' irregular expenditure amounting to R12 785 324, which was incurred in contravention of MFMA and Municipal Supply Chain Management Regulations. The condoned irregular expenditure disclosed as per note 33 in the financial statements misstated the disclosure of the total irregular expenditure of R7 196 315.

The municipality did not completely identify, investigate and disclose all the irregular expenditure incurred in the prior year. Current year's audit identified additional irregular expenditure amounting to R982 625 relating to prior year. Consequently I was not able to determine the full extent of the understatement of the closing balance of irregular expenditure amounting to R12 785 324, disclosed as per note 33 in the financial statements.

Cash flow statement

GRAP 2, Cash flow statements, requires that the municipality summarises the entity's operating, investing and financing activities. The municipality did not prepare and present its cash flow statement in accordance with GRAP 2 as differences were identified. Consequently, the financial statements were materially

misstated due to material uncorrected misstatements in the following item disclosed in the cash flow statement:

- Net cash flow from operating activities included a difference of R2 996 727

CONTEXT FOR THE OPINION

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

EMPHASIS OF MATTERS

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

Irregular expenditure

As disclosed in note 33 to the financial statements, irregular expenditure to the amount of R7 196 315 was incurred in the current year, as a proper tender process had not been followed.

Unauthorised expenditure

As disclosed in note 34 to the financial statements, unauthorised expenditure to the amount of R264 645 was incurred, as municipality overspent on one of its votes.

OTHER MATTER

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

Unaudited supplementary schedules

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

Responsibilities of accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA standard of GRAP and the requirements of the MFMA and 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.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

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 material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2017:

Objectives	Pages in the annual performance report
Objective 01 – Basic service delivery	x – x
Objective 02 – Local economic development	x – x

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Objective 1: Basic service delivery
- Objective 2: Local economic development

OTHER MATTER

I draw attention to the matter below.

Achievement of planned targets

Refer to the annual performance report on page(s) x to x for information on the achievement of planned targets for the year and explanations provided for the under / overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) x of this report.

Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery and the local economic development objectives. As management subsequently corrected only some of the misstatements, I identified material findings on the usefulness of the reported performance information.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual reports

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 identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Budget

Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 264 645, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure is incurred as a result of overspending on vote for long service award.

Procurement and contract management

Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer

even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.

Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5. Similar non-compliance was also reported in the prior year.

The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. This non-compliance was identified in the procurement processes for the provision of travel agency and provision of legal services

The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA.

Final awards and recommendation of awards to the accounting officer were made by an adjudication committee which was not constituted in accordance with the auditee's SCM policy or as prescribed by SCM regulation 29(2). This non-compliance was identified in the procurement processes for advertising agency.

Expenditure management

Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The disclosed irregular expenditure was caused by non-compliance with supply chain management requirements.

Consequence management

Authorisation of unauthorised expenditure amounting to R264 645 was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA

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

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

Some of the losses resulting from irregular expenditure were certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA

INTERNAL CONTROL DEFICIENCIES

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

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

Effective human resource management was not implemented to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored

Financial and performance management

The annual financial statements and annual performance report contained numerous misstatements mainly due to a lack of financial monitoring and review

Non-compliance with legislation could have been prevented if management properly reviewed and monitored compliance.

Management did not implement the daily and monthly controls designed for the municipality's business processes especially in the proper supply chain management

The financial statements contained material misstatements. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework

Lack of consequence management resulted in unauthorised, irregular as well as fruitless and wasteful expenditure

Governance

Those charged with governance did not provide adequate oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations

Polokwane

30 November 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Waterberg District Municipality set out on pages ... to ..., which comprise statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis of qualified opinion, the financial statements present fairly, in all material respects, the financial position of the Waterberg District Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with South African standard of Generally Recognised Accounting Practice (SA Standard of GRAP) and the requirements of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA) and Division Of Revenue Act of South Africa (Act No.3 of 2016) (DORA).

Basis for qualified opinion

Irregular expenditure

3. In terms of section 170 of the MFMA, only the National Treasury may condone non-compliance with a regulation issued in terms of the MFMA or a condition imposed by the Act itself. Contrary to the above, the municipal council condoned prior years' irregular expenditure amounting to R12 785 324, which was incurred in contravention of MFMA and Municipal Supply Chain Management Regulations. The condoned irregular expenditure disclosed as per note 33 in the financial statements misstated the disclosure of the total irregular expenditure of R7 196 315.
4. The municipality did not completely identify, investigate and disclose all the irregular expenditure incurred in the prior year. Current year's audit identified additional irregular expenditure amounting to R982 625 relating to prior year. Consequently I was not able to determine the full extent of the understatement of the closing balance of irregular expenditure amounting to R12 785 324, disclosed as per note 33 in the financial statements.

Cash flow statement

5. GRAP 2, Cash flow statements, requires that the municipality summarises the entity's operating, investing and financing activities. The municipality did not prepare and present its cash flow statement in accordance with GRAP 2 as differences were identified.



Consequently, the financial statements were materially misstated due to material uncorrected misstatements in the following item disclosed in the cash flow statement:

- Net cash flow from operating activities included a difference of R2 996 727

Context for the opinion

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
7. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Irregular expenditure

10. As disclosed in note 33 to the financial statements, irregular expenditure to the amount of R7 196 315 was incurred in the current year, as a proper tender process had not been followed.

Unauthorised expenditure

11. As disclosed in note 34 to the financial statements, unauthorised expenditure to the amount of R264 645 was incurred, as municipality overspent on one of its votes.

Other matter

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

Unaudited supplementary schedules

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

Responsibilities of accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA standard of GRAP and the requirements of the MFMA and 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.

15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2017:



Objectives	Pages in the annual performance report
Objective 01 – Basic service delivery	x – x
Objective 02 – Local economic development	x – x

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

- Objective 1: Basic service delivery
- Objective 2: Local economic development

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on page(s) x to x for information on the achievement of planned targets for the year and explanations provided for the under / overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) x of this report.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery and the local economic development objectives. As management subsequently corrected only some of the misstatements, I identified material findings on the usefulness of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislations are as follows: 

Annual financial statements, performance and annual reports

28. 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 identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Budget

29. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 264 645, in contravention of section 62(1)(d) of the MFMA. The unauthorised expenditure is incurred as a result of overspending on vote for long service award.

Procurement and contract management

30. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
31. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
32. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5. Similar non-compliance was also reported in the prior year.
33. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. This non-compliance was identified in the procurement processes for the provision of travel agency and provision of legal services
34. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA.
35. Final awards and recommendation of awards to the accounting officer were made by an adjudication committee which was not constituted in accordance with the auditee's SCM policy or as prescribed by SCM regulation 29(2). This non-compliance was identified in the procurement processes for advertising agency.

Expenditure management

36. Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The disclosed irregular expenditure was caused by non-compliance with supply chain management requirements.



Consequence management

- 37. Authorisation of unauthorised expenditure amounting to R264 645 was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.
- 38. 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.
- 39. Some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- 40. Some of the losses resulting from irregular expenditure were certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

Internal control deficiencies

- 41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

- 42. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.
- 43. Effective human resource management was not implemented to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.

Financial and performance management

- 44. The annual financial statements and annual performance report contained numerous misstatements mainly due to a lack of financial monitoring and review.
- 45. Non-compliance with legislation could have been prevented if management properly reviewed and monitored compliance.
- 46. Management did not implement the daily and monthly controls designed for the municipality's business processes especially in the proper supply chain management.
- 47. The financial statements contained material misstatements. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework.
- 48. Lack of consequence management resulted in unauthorised, irregular as well as fruitless and wasteful expenditure.



Governance

49. Those charged with governance did not provide adequate oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations

Auditor General
Polokwane

30 November 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer, which constitutes the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Waterberg District Municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

COMPONENT B

AUDITOR-GENERAL OPINION 2017/18

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified opinion

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 2018, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Waterberg District Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with South African standard of Generally Recognised Accounting Practice (SA Standard of GRAP) and the requirements of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA) and Division Of Revenue Act of South Africa, 2017 (Act No.3 of 2017) (DORA).

BASIS FOR QUALIFIED OPINION

IRREGULAR EXPENDITURE

3. The municipality did not include the particulars of all irregular expenditure in the notes to the financial statements as required by section 125(2)(d)(i) of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA). Furthermore, the municipality did not implement adequate internal control systems to identify and record all instances of irregular expenditure in both the current and prior years. This resulted in the irregular expenditure disclosure being understated. The full extent of the misstatement of irregular expenditure to be disclosed could not be quantified as it was impracticable to do so. Consequently, I was unable to determine the extent of adjustments necessary to the opening and closing balance of irregular expenditure disclosure stated at R 20 310 958 (2017: R 19 981 639) in note 32 to the financial statements.

CONTEXT FOR THE OPINION

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the separate financial statements section of this auditor's report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

EMPHASIS OF MATTERS

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

RESTATEMENT OF CORRESPONDING FIGURES

8. The corresponding figures for 30 June 2017 were restated as a result of an error in the receipts and payments disclosed in the cash flow statement of the municipality at, and for the year ended, 30 June 2018.

OTHER MATTERS

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

UNAUDITED SUPPLEMENTARY SCHEDULES

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 these schedules and, accordingly, I do not express an opinion thereon.

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE PARTY FOR THE FINANCIAL STATEMENTS

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and the requirements of the South African Standards of Generally Recognised Accounting Practice (GRAP), Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. 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 material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priorities	Pages in the annual performance report
Key Performance Area (KPA) 2: Basic service delivery	x – x
KPA 4: Local economic development	x – x

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and 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 usefulness and reliability of the selected development priorities are as follows:

KPA 2: Basic service delivery

Municipal health: % food outlets issued with certificates of compliance (for outlets that comply with set standard)

21. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information to be used when measuring the actual achievement of 100%. This was due to a lack of technical indicator descriptions and formal standard operating procedures or documented system descriptions. I was unable to test whether the indicator was well-defined by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 100% (101/101 certificates of acceptability were issued for the year 2017/18) as reported in the annual performance report.

Percentage of Local Economic Development forum resolutions implemented

22. The achievement for the percentage of local economic development forum resolutions implemented reported in the organisational performance scorecard was 48%. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 42% instead.

KPA 4: Local economic development

Job creation: Number of jobs created through Expanded Public Works Programme (EPWP)

23. The achievement for target number of jobs created through EPWP reported in the annual performance report was 15 jobs. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 9 jobs created through EPWP.

Other matter

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages **x to x** for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21, 22 and 23 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Consequence management

29. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
30. Losses resulting from irregular expenditure were certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

Expenditure management

31. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
32. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by the municipality not demonstrating the benefits or discounts of participating in contracts secured by another organ of state.

Procurement and contract management

33. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
34. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
35. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

Strategic planning and performance

36. Annual performance objectives and indicators were not established for Waterberg Economic Development Agency, as required by section 93B(a) of the MSA.
37. The performance of Waterberg Economic Development Agency was not monitored and reviewed as part of the annual budget process, as required by section 93B(b) of the MSA.

Other information

38. The accounting officer is responsible for the other information. The other information comprises the information included in the annual. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
39. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

40. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

INTERNAL CONTROL DEFICIENCIES

41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report:
42. Reviews conducted on the annual financial statements and performance report did not detect or prevent the risks of material misstatements identified during the audit process. Management's slow response in resolving prior year findings and inability to follow a pro-active approach have resulted in material misstatements in the annual financial statements, performance reports and material non-compliance with laws and regulations.
43. The municipality developed a plan to address internal and external audit findings, but the plan was not adhered to and/or timeously implemented to address matters reported in the prior year.
44. Senior management did not adequately oversee the operations of the municipality, as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.
45. There was inadequate human resource planning, skills assessment and evaluation of performance to mitigate the municipality's reliance on consultants.
46. The implementation of the supply chain management processes and procedures were inadequate resulting in irregular expenditure. There was also inadequate review and monitoring of compliance with applicable laws and regulations relating to various other key areas within the municipality.
47. The municipality did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
48. Those charged with governance did not provide adequate oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

Pretoria

17 January 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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

Report on the audit of the financial statements

Qualified opinion

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 2018, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Waterberg District Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with South African standard of Generally Recognised Accounting Practice (SA Standard of GRAP) and the requirements of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA) and Division Of Revenue Act of South Africa, 2017 (Act No.3 of 2017) (DORA).

Basis for qualified opinion

Irregular expenditure

3. The municipality did not include the particulars of all irregular expenditure in the notes to the financial statements as required by section 125(2)(d)(i) of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003) (MFMA). Furthermore, the municipality did not implement adequate internal control systems to identify and record all instances of irregular expenditure in both the current and prior years. This resulted in the irregular expenditure disclosure being understated. The full extent of the misstatement of irregular expenditure to be disclosed could not be quantified as it was impracticable to do so. Consequently, I was unable to determine the extent of adjustments necessary to the opening and closing balance of irregular expenditure disclosure stated at R 20 310 958 (2017: R 19 981 639) in note 32 to the financial statements.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the separate financial statements section of this auditor's report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matters

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

Restatement of corresponding figures

8. The corresponding figures for 30 June 2017 were restated as a result of an error in the receipts and payments disclosed in the cash flow statement of the municipality at, and for the year ended, 30 June 2018.

Other matters

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

Unaudited supplementary schedules

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 these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

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

Responsibilities of the party for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and the requirements of the South African Standards of Generally Recognised Accounting Practice (GRAP), Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. 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 material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priorities	Pages in the annual performance report
Key Performance Area (KPA) 2: Basic service delivery	x – x
KPA 4: Local economic development	x – x

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and

related targets were measurable and relevant, and 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 usefulness and reliability of the selected development priorities are as follows:

KPA 2: Basic service delivery

Municipal health: % food outlets issued with certificates of compliance (for outlets that comply with set standard)

21. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information to be used when measuring the actual achievement of 100%. This was due to a lack of technical indicator descriptions and formal standard operating procedures or documented system descriptions. I was unable to test whether the indicator was well-defined by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 100% (101/101 certificates of acceptability were issued for the year 2017/18) as reported in the annual performance report.

Percentage of Local Economic Development forum resolutions implemented

22. The achievement for the percentage of local economic development forum resolutions implemented reported in the organisational performance scorecard was 48%. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 42% instead.

KPA 4: Local economic development

Job creation: Number of jobs created through Expanded Public Works Programme (EPWP)

23. The achievement for target number of jobs created through EPWP reported in the annual performance report was 15 jobs. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 9 jobs created through EPWP.

Other matter

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages **x to x** for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21, 22 and 23 of this report.

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Consequence management

29. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
30. Losses resulting from irregular expenditure were certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

Expenditure management

31. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
32. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by the municipality not demonstrating the benefits or discounts of participating in contracts secured by another organ of state.

Procurement and contract management

33. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
34. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 38(1). Similar non-compliance was also reported in the prior year.

35. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

Strategic planning and performance

36. Annual performance objectives and indicators were not established for Waterberg Economic Development Agency, as required by section 93B(a) of the MSA.
37. The performance of Waterberg Economic Development Agency was not monitored and reviewed as part of the annual budget process, as required by section 93B(b) of the MSA.

Other information

38. The accounting officer is responsible for the other information. The other information comprises the information included in the annual. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
39. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
40. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report:
42. Reviews conducted on the annual financial statements and performance report did not detect or prevent the risks of material misstatements identified during the audit process. Management's slow response in resolving prior year findings and inability to follow a pro-active approach have resulted in material misstatements in the annual financial statements, performance reports and material non-compliance with laws and regulations.
43. The municipality developed a plan to address internal and external audit findings, but the plan was not adhered to and/or timeously implemented to address matters reported in the prior year.
44. Senior management did not adequately oversee the operations of the municipality, as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.

45. There was inadequate human resource planning, skills assessment and evaluation of performance to mitigate the municipality's reliance on consultants.
46. The implementation of the supply chain management processes and procedures were inadequate resulting in irregular expenditure. There was also inadequate review and monitoring of compliance with applicable laws and regulations relating to various other key areas within the municipality.
47. The municipality did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
48. Those charged with governance did not provide adequate oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

Auditor General

Pretoria

17 January 2019



Auditing to build public confidence

COMPONENT B

AUDIT COMMITTEE ANNUAL REPORT 2017/18

WATERBERG DISTRICT MUNICIPALITY'S AUDIT COMMITTEE (AC) ANNUAL REPORT TO COUNCIL FOR PERIOD ENDED 30 JUNE 2018

1. INTRODUCTION

The Audit Committee of Waterberg District Municipality was established by Municipal Council in accordance with section 166 (1) of the Municipal Finance Management Act (MFMA). The Audit Committee operates as an independent advisory body to the Council, Political Office bearers, Accounting Officer, Management and staff, thereby assisting Council in its oversight role. The role, functions, and authority of the Audit Committee are prescribed in terms of section 166 (2) of the Act, National Treasury's Risk Management Framework and Circular 65 issued by National Treasury.

2. AUDIT COMMITTEE FIDUCIARY DUTIES

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

(a) 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*

(b) 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;

- (c) respond to the Council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;
- (e) 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 were called as and when the need arises.

Previous members term expired: end January 2018

Name and Surname	Position	Number of meetings attended
SAB Ngobeni	AC Chairperson	3 of 3
A Mashego	AC Member	3 of 3
LM Kgomo	AC Member	2 of 3

New members appointed: 01 April 2018

Name and Surname	Position	Number of meetings attended
Adv J.L Thubakgale	AC Chairperson	1 of 1
GM Dhladhla	AC Member	1 of 1
R Tshimomola	AC Member	1 of 1

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 Audit Committee noted that appointment of the independent Chairperson of Risk Management Committee. The AC is of the opinion that the status of Risk Management is satisfactory; however, continuous management of risks by risk owners and continuous improvement on the risk management processes is encouraged.

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.

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 addresses the issues of non-compliance.

10. INTERNAL AUDIT

The Internal Audit reported to the Municipal Manager administratively and functionally independently reported to the Audit Committee in the execution of their duties during the 2017/18 Financial Year. There were no restrictions imposed to the Internal Audit in the execution of their duties.

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 2017/18 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 addressed 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 2018.

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

12. 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.

13. 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.

14. 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.

15. IMPLEMENTATIONS OF AUDIT COMMITTEE RESOLUTIONS

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

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.

16. 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.

17. 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.

Adv J.L Thubakgale

Waterberg District Municipality

Chairperson of the Audit Committee

16 January 2019

COMPONENT C

5.4 Follow up on Audit General report 2017/18

Municipality	Waterberg District Municipality		No	%
Financial Year	2018/19	Resolved	32	59
Audit Opinion	Qualified	Outstanding	22	41
Reporting Period	17/18	Total	54	100

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Annexure A: Matters affecting the auditor's report (1-14)							
	Financial Statement Related Findings							
	Irregular Expenditure (1 – 7)							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
1 Pg 42	Completeness of irregular expenditure identified from reoccurring non-compliance. Irregular expenditure of R8'761'475 incurred in the current financial year was as a result of contravention of SCM legislation. Root cause: (a) written price quotations were not obtained from at least three different prospective providers. (b) the reasons provided for deviations was not justified on the basis that it was impractical to obtain three written quotations. (c) the municipality did not demonstrate the benefits or discounts of participating in contract secured by another organ of state.	The CFO did not ensure that the entity prepares regular, accurate and complete financial that are supported and evidenced by reliable information.	Management to revisit the population of procurement through quotations and participation in contracts secured by other organs of state (current and prior years) to identify similar instances of irregular expenditure. Management to update the irregular expenditure register with those additional items that were identified and also correct the amount on the irregular expenditure disclosure note. To comply with MFMA by ensuring that irregular expenditure is adequately investigated and recommended for recovery or write-off by council.		30/04/2019	CFO	In progress	Finance section is still in progress revisiting the population for 2015/16, 2016/17 and 2017/18 to identify the irregular expenditures. Once identified they will be reported to Portfolio Committee & ultimately to Council, and also investigated by Financial Misconduct Board.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
2 Pg 44	SCM processes not adhered to in procuring mayoral vehicle. Two bids received were disqualified by bid evaluation committee as a result of quotations above budget. The municipality sourced a bid from Cargo Motors (Mercurius Motors) with an amount of R1 289 178.93. The municipality also afforded the supplier an opportunity to provide a quotation for a trade in, which was valued to be R258 999.99 without following the process for disposal of assets. Cargo Motors subsequently provided a quotation after taking into account the trade-in value amounting to R999 355.40. The expenditure incurred amounting to R876 628 (excluding VAT) will be regarded as irregular. The disposal of the older vehicle is also considered for non-compliance of section 14 of the MFMA.	The Municipal Manager did not ensure that the procurement processes are fair, equitable, transparent, competitive and cost-effective	Adherence to supply chain management processes which are in line with the approved SCM policy, MFMA, Municipal Supply Chain Management Regulations and Preferential Procurement Regulations.		31 /05/2019	CFO	In progress	This was a once off procurement. So far no vehicle has been procured through that process. This will serve in the Financial Misconduct Board for investigation.
3 Pg 47	Three quotations not obtained. Formal written price quotations for procurement of a transaction value over R10 000 up to R200 000. Two awards with a value of R874 478 were procured without inviting the minimum prescribed number of written price quotations from prospective suppliers.	The Municipal Manager did not ensure that the procurement processes are fair, equitable, transparent, competitive and cost-effective.	Maintenance contract will be procured. Management will ensure that the three quotations are obtained before orders are placed with suppliers and that structure of authorization approval is adhered to.		31 /05/2019	CFO AMPED	In progress	Abattoir: General Maintenance Contractor is not yet appointed, however the department is following the SCM policies of obtaining the three quotations.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
4 Pg 51	Award made on unfound grounds of single source. The three quotations for conference venue were received and disqualified. A single source process was then followed. Euphoria Golf and Lifestyle Estate with a value of R113 772 was procured without inviting at least the minimum prescribed number of written price quotations from prospective suppliers, and the deviation was approved even though it was possible to obtain the quotations.	The Municipal Manager did not ensure that the procurement processes are fair, equitable, transparent, competitive and cost-effective.	The three quotations will be obtained before orders are placed with suppliers as part of the Supply Chain Management process. Where no acceptable tenders are received, the tender would be re-advertised to allow other potential providers to bid		31 /05/2019	CFO	In progress	The three quotation process is followed. This will serve in the Financial Misconduct Board for investigation.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
5 Pg 54	SCM Regulation 32: SCM regulation 32 – Instances of non-compliance identified. Participation in contracts secured by another organ of state: B. The municipality has not demonstrated the benefits or discounts of participating in the contract. D. The original contract was not validly procured. E. The other organ of state has not consented to such procurement in writing. F. The prices paid are not the same as the original contract or no sufficient appropriate audit evidence substantiating prices paid are the same as the original contract. G. The contract was not valid or active at the time the auditee opted to participate or no evidence exists confirming that the original contract was valid or active at the time the auditee opted to participate. H. There is no sufficient appropriate audit evidence substantiating that the municipality did not procure beyond the scope of the original contract.	The Municipal Manager did not ensure that the procurement processes are fair, equitable, transparent, competitive and cost-effective.	The procurement of goods and services under contracts secured by other organs of state entered into during the 2017/18 financial year to be investigated by a disciplinary board established in terms of Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings regulation 4 subject to the recommendations of MPAC. Management should include the amount of expenditure incurred in the year under review relating to the awards in the irregular expenditure disclosure note.		31 /05/2019	CFO	In progress	This will serve in the Financial Misconduct Board for investigation.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
6 Pg 59	SCM Regulation 32: SCM regulation 32 – Protea Consulting. Participation in contracts secured by another organ of state: • the municipality has not demonstrated the benefits or discounts of participating in the contract • the other organ of state has not consented to such procurement in writing. • the prices paid are not the same as the original contract as preparation of financial statements is R750 000 for three financial years per the service level agreement of the original contract but R570 000 for one financial year in Waterberg District Municipality. • there is no sufficient appropriate audit evidence substantiating that the municipality did not procure beyond the scope of the original contract.	The Municipal Manager did not ensure that the procurement processes are fair, equitable, transparent, competitive and cost-effective.	The procurement of goods and services under contracts secured by other organs of state entered into during the 2017/18 financial year to be investigated by a disciplinary board established in terms of Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings regulation 4 subject to the recommendations of MPAC.		31 /05/2019	CFO	In progress	This will serve in the Financial Misconduct Board for investigation.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
7 Pg 62	SCM regulation 32 – XLP Document Solutions. The municipality procured a contract under regulation 32 of the of the Municipal Supply Chain Management with a bidder that was initially disqualified by the bidding committee for collusive bidding as recorded in the minutes of the bid evaluation committee meeting dated 8 March 2017).	The municipal manager did not ensure that the procurement processes are fair, equitable, transparent, competitive and cost-effective.	The procurement of goods and services under contracts secured by other organs of state entered into during the 2017/18 financial year to be investigated by a disciplinary board established in terms of Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings regulation 4 subject to the recommendations of MPAC. Management should include the amount of expenditure incurred in the year under review relating to the awards in the irregular expenditure disclosure note.		31 /05/2019	CFO	In progress	This will serve in the Financial Misconduct Board for investigation.
	Audit of Predetermined Objectives (8 -10)							
	Basic Services Delivery							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
8 Pg 66	Limitation of scope on certificates of compliance issued as the performance indicator is not measurable. In the audit of percentage of food service outlets issued with certificates of compliance indicator, it was identified that the target was not specific (the nature and required level of performance are not clearly identified) and the target is not measurable as the target is simply "100%".	There is no technical indicator description and standard operating procedures	The technical indicator descriptions (TIDs), data definitions or standard operating procedures (SOPs) providing understanding how indicators are measured to be determined. The fixed number of inspections that would be performed during the performance period and in addition set a target for the turnaround period for finalising and issuing of certificates.		31 /05/2019	DM: SSP	Completed	The standard Operating Procedure is in place and the Technical indicator description (TIDs) on the indicator is also in place. The indicator was removed as per the adjustment 2018/19 SDBIP.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Local Economic Development							
9 Pg 68	Misstatement of the reported achievements of the number of jobs created through EPWP. In the audit of the number of jobs created through EPWP indicator, it was identified that EPWP personnel who signed their contracts after year end were included in the reported achievement of the 2017/18 annual performance report.	Management did not ensure that accurate performance reports that are supported and evidenced by reliable information are prepared.	Management to review the evidence supporting the reported achievements to ensure that the achievements reported are supported by reliable evidence.		30/04/2019	DM: SSP	Completed	Done. Corrections were made to the Annual Performance Report.
10 Pg 70	Difference between reported target achievements and audited achievements. The annual performance report and the auditors both calculated 19 total resolutions taken. The annual performance report reported 9 resolutions implemented and the auditors calculated 8 resulting in a misstatement of the reported achievements.	Management did not ensure that accurate performance reports that are supported and evidenced by reliable information are prepared	Correction will be made on the 2017/18 Annual Performance Report.		31 /10/2018	DM: SSP	Completed	Done. Corrections were made to APR. Files are reviewed by PMS Office and Internal Audit on quarterly basis.
	Audit of Compliance							
	Consequences Management							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
11 Pg 71	Establishment of Financial Misconduct Board. No disciplinary board was established in accordance with municipal regulations by the municipality.	Council did not ensure that compliance is effectively monitored and that internal controls were effected to ensure that effective consequence management is enforced against financial misconduct.	The municipal council is in the process to appoint a municipal financial misconduct disciplinary board that complies with the Regulation.		31/03/2019	MM	Completed	Board has been appointed.
12 Pg 73	Internal control deficiencies identified that is required to hold transgressors accountable. • The municipality does not have processes and procedures for raising receivables when officials are liable for unauthorised, fruitless and wasteful and irregular expenditure. • The municipality does not have processes and procedures dealing with any financial challenges that may arise.	The accounting officer did not ensure that effective internal processes to investigate instances of unauthorised, irregular, fruitless and wasteful expenditure to ensure that liable officials are held accountable.	Management to develop processes and procedures for raising receivables when officials are liable for unauthorised, fruitless and wasteful and irregular expenditure.		30/04/2019	CFO	In progress	Supporting evidence to be submitted to internal audit for verification.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
13 Pg 75	No investigation conducted on unauthorised, irregular, fruitless and wasteful expenditure prior to write off. The following amounts have been written off nonetheless: • Fruitless and wasteful expenditure: R29' 683 • Irregular expenditure: R7'196'315 • Unauthorised expenditure: R290'690	The council committee did not execute its prescribed role as to ensure that unauthorised, irregular and fruitless and wasteful expenditure are investigated to determine whether referral to a disciplinary board is further required	That investigation will be done before write-off of unauthorised, irregular or fruitless and wasteful expenditure by the council committee. Sufficient document records detailing the outcome of the conducted investigation will also be kept by the council committee. This includes the terms of reference of such investigation conducted and the results thereof. To correct the amounts of unauthorised, irregular and fruitless and wasteful expenditure disclosure notes.		30/04/2019	CFO	In progress	This will serve in the Financial Misconduct Board for investigation. Rescind the MPAC resolution. Submit the item for re-investigation by Financial Misconduct Board by 08 April 2019 as per AG finding.
	Strategic planning and performance management							
14 Pg 77	Annual performance objectives and indicators not established for controlled entity. • annual performance objectives and indicators for WEDA were not established; and • the performance of WEDA was not monitored and annually reviewed.	Management did not monitor compliance with the Municipal Systems Act	The annual performance objectives and indicators to be included in WEDA's multi-year business plan and monitor its performance.		30/04/2019	CFO MM	In progress	Currently the Board term has expired in December 2018. Recommendations will be made to Council whether to continue or discontinue the agency.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Annexure B: Other Important Matters (15-43)							
	Financial Statement Related Findings							
	Cash and Cash Equivalents							
15 Pg 78	Understatement of bank balances at yearend. Discrepancies were noted between the external confirmations obtained by the auditors from financial institutions and disclosure note 3 to the financial statements of the municipality. The recalculated total by the auditors of the investment amount plus accrued interest is R131 624 571 and the total as per disclosure note 3 is R130 533 906. The remaining uncorrected misstatement amount is R1 095 917.	The Accounting Officer did not monitor controls to ensure that all interest is accounted for from investment accounts.	• Monthly bank and investment reconciliations needs to be prepared to account for realised and accrued interest according to GRAP requirements. • Correctional entries should be made to the financial statements to ensure that all cash and cash equivalents is accounted for in the annual financial statements. • The cash flow statement should be updated to exclude accrued interest.		30/04/2019	CFO	Completed	Done. Corrections were made to the reconciliation. Monthly bank and investment reconciliations are performed.
	Trade and other receivables							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
16 Pg 80	Understatement of bank balances at yearend. Scope limitation. Supporting documentation and schedules for the amount relating to receivables from non- exchange transactions amounting to R1'131'161 on RFI 32 was not submitted by the municipality within the stipulated period as agreed in the engagement letter. This will be regarded as a limitation of scope to the full extent of the balance recognised in the financial statements.	The CFO did not implement adequate control over the safeguarding and keeping of information that supports the transactions and balances disclosed in the financial statements.	To ensure that every transaction recorded in the GL is supported by reliable information that is complete, accurate and relevant.		30/04/2019	CFO	Completed	Done. The schedules were submitted for review by AG. Municipality will adhere to the time schedule for submission of documents requested.
	Property, plant and equipment							
17 Pg 81	The depreciation for the current year is incorrectly calculated. The depreciation was calculated for 13 months instead of 12 months resulting in an overstatement of depreciation and understatement of PPE amounting to R619 777.68	The CFO did not adequately review the computation of the depreciation amounts.	Quarterly updates of the asset register and that the depreciation amount is calculated correctly.		30/04/2019	CFO	Completed	Done. Corrections were done & adjustment made.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
18 Pg 86	Impairments to immovable assets was not accounted for according to GRAP. Land and buildings: there were items of PPE which were identified as no longer being in good working condition and there is no evidence that the municipality assessed the assets for impairment. Consequently, the carrying amount of land and buildings is overstated in the financial statements with uncorrected misstatement amounting to R585 348 to buildings. Assets: Lift upgrade, standard installation, partitioning instore, & fence.	The accounting officer did not ensure that the assets of the municipality were assessed for impairment as required by GRAP21	Testing the asset for impairment on an annual basis during 3rd and 4th quarter.		30/04/2019	CFO	Completed	Done. Supporting documentation (quotations – Repairs and Maintenance) was submitted to AG for review of worked to be performed
19 Pg 88	Impairments to movable assets was not accounted for according to GRAP. The completeness testing of assets, there were assets which were identified as no longer being in good working condition and there is no evidence that the municipality assessed the assets for impairment. Consequently, the carrying amount of movable assets is overstated in the financial statements with uncorrected misstatement amounting to R442 861.01 to movables.	The accounting officer did not ensure that the assets of the municipality were assessed for impairment as required by GRAP21.	Testing the asset for impairment on an annual basis during 3rd and 4th quarter.		30/04/2019	CFO	Completed	Done. Supporting documentation (quotations – Repairs and Maintenance) was submitted to AG for review of worked to be performed.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
20 Pg 90	A building received as donation was not recorded in the accounting records. A building received from Bela Bela Local Municipality as a donation for fire services was not recorded in the accounting records. The land and building was donated by Bela- Bela Local Municipality to Waterberg District Municipality for fire services as per its resolution as stated hereunder in February 2017. The uncorrected misstatement relating to this finding is R486 382.	The Chief Financial Officer did not ensure that the donated land and building is recognised in its records	The building to be included in the fixed assets register and be recognised at fair value.		30/04/2019	CFO	In progress	Attorneys are still busy with the process of conveyance to ensure that the building is registered in WDM name.
21 Pg 91	VAT not excluded from asset cost upon initial recognition. The cost of the assets are recognised in the asset register inclusive of VAT which is contrary to accrual concept. The PPE of the municipality is overstated by R25 848.03 and value added taxation account is understated by a similar amount.	The CFO did not recognize the appropriate accounting entries relating to the treatment of value added taxation	PPE to be adjusted by the specified amount in order to ensure complete, relevant and accurate financial information. The cost of the assets recognised in the asset register to be exclusive of VAT where input VAT was allowed as deduction by the South Africa Revenue Service.		30/04/2019	CFO	Completed	Done. PPE was adjusted & corrections made.
	Value added tax							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
22 Pg 93	VAT amount as per AFS does not agree to net VAT amount per VAT 201 claim forms submitted to SARS. The net VAT amount as per GL is R4 524 679,74 and the net VAT amount as per VAT 201 forms submitted to SARS is R5 480 827.18 resulting in the difference of R956 147,44. The difference between the creditors listing and the general ledger is regarded as a misstatement.	The Accounting Officer did not ensure that the general ledger transactions are agreed to the SARS VAT 201 forms to ensure accuracy.	To review the financial statements and GL against the supporting documents to ensure VAT amounts accuracy.		30/04/2019	CFO	Completed	Done. The creditors listing and the general ledger reconciliation were adjusted & corrections made. Corrections were submitted to AG.
	Trade and other payables							
23 Pg 94	Difference between general ledger and creditors listing. The trade payables as per note 12 of the annual financial statements and the general ledger did not agree to the creditors listing submitted for audit. The balance as per GL is R-3 476 061.70 and balance as per creditors listing is R-3 402 980.28 resulting in a difference of R-73 081.42. The difference between the creditors listing and the general ledger is regarded as a misstatement.	The accounting officer did not ensure that the financial statements are subjected to intense review to ensure that the balances presented are a reflection of the supporting schedules prior to submission to ensure the accuracy, completeness and validity of presented information.	Trade payable: To adequately review the AFS before submission to ensure fair presentation.		30/04/2019	CFO	Completed	Done. The creditors listing and the general ledger were reconciled, adjusted & corrections made. Corrections were submitted to AG.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
24 Pg 97	Uncorroborated trade and other payables recognised in the financial statements. The liability was raised as at year end for transactions whose neither invoice nor goods received note existed and therefore no past event was applicable as goods and/or services were not yet received. Services/goods: Catering services- Ramabele Mothupi Trading and Projects R4'000 & Nhlamulo- Hosi Investment-cameras for departmental events R47'985. This results in an overstatement of trade and other payables and understatement of commitments.	The accounting officer did not ensure that the financial statements are subjected to intense review to ensure that the balances presented are a reflection of the supporting documents prior to submission to ensure the accuracy, completeness and validity of presented information.	Trade payable: To adequately review the AFS before submission to ensure fair presentation.		30/04/2019	CFO	In progress	Adjustments were made to Trade and Other Payables. NHI invoice is not yet settled as a result of their current tax challenge. Invoice amount: R47'985.
25 Pg 99	Overstatement of trade and other payables. The amount recognised is R2 574 483 and the invoice amount is R1 971 450 resulting in a difference of R603 032. Mogalakwena Local Municipality-catering services. This results in overstatement of trade and other payables.	The accounting officer did not ensure that the financial statements are subjected to intense review to ensure that the balances presented are a reflection of the supporting documents prior to submission to ensure the accuracy, completeness and validity of presented information.	Trade payable: To adequately review the AFS before submission to ensure fair presentation.		31 /05/2019	CFO	Completed	Done. Corrections were made to trade and other payables and submitted to AG.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
26 Pg 100	Overstatement of retentions. A supplier (Sydwell Shabangu projects) who the municipality had paid in full was included in the retention list when the municipality did not owe the supplier at year end. This resulted in overstatement of retentions of R109 015.89.	The accounting officer did not ensure that the financial statements are subjected to intense review to ensure that the balances presented are a reflection of the supporting documents prior to submission to ensure the accuracy, completeness and validity of presented information.	Retentions: To adequately review the AFS before submission to ensure fair presentation.		31 /05/2019	CFO	Completed	Done. Corrections were made to retention list and submitted to AG.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
27 Pg 101	Understatement of WEDA payable: The amount of R3'000'000 approved for WEDA funding by Council resolution item no.item 2.2/30/05/2017 was never transferred into the WEDA account from WDM's ABSA account resulting in an expenditure of R1' 077' 102 incurred by WDM for WEDA.WDM would still owe WEDA R1' 922' 818.WDM;s trade and other payables is understated by an amount of R1 '922 '818.	The CFO did not ensure that the entity prepares regular, accurate and complete financial that are supported and evidenced by reliable information	• Management should update the disclosure provided in the financial statements particularly the statement of financial position and its related notes. • Management should implement controls (a GRAP compliance checklist) to ensure that all disclosures required in terms of GRAP are appropriately made in the annual financial statements submitted for audit. • The Chief Financial Officer should review the annual financial statements to ensure that the financial statements are accurate and complete and includes all required disclosure.		31 /05/2019	CFO	Completed	Done. Adjustments were made and submitted to AG.
	Unspent conditional grant							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
28 Pg 103	Inaccurate disclosure of grant amounts in the notes to the AFS. DORA reconciliation: The amounts disclosed in note 16 relating to unspent conditional grants are not consistent with what is explained / disclosed in note 21. Unspent amounts: RRAMS: Note 16 R0 & Note 21: R579'090; and LEDET Biosphere grant: Note 16 R579'134 & R200'045.	The CFO did not adequately review the financial statements prior to submission	Grants Disclosure: To adequately review the AFS and make use of the GRAP checklist available from National Treasury for financial statements accuracy and reliability.		31 /05/2019	CFO	Completed	Done. AFS were updated to correct the error.
29 Pg 105	Inconsistencies of grant amounts disclosed in the AFS. DORA reconciliation: Management has not disclosed an amount of R820 000 in the financial statements which was surrendered to National Treasury as per the surrender letter dated 01 November 2017. Consequently, the disclosure is misstated by R820 000.	The CFO did not adequately review the financial statements prior to submission	Grants Reconciliation: To adequately review the AFS and make use of the GRAP checklist available from National Treasury for financial statements accuracy and reliability. AFS will be updated to correct the misstatement.		31 /05/2019	CFO	Completed	Done. AFS were updated to correct the misstatement.
	Presentation and disclosure to the financial statements							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
30 Pg 106	Presentation and disclosure discrepancies identified during a high level review of the submitted annual financial statement. Discrepancies identified: Cash flow statement, Cash and cash equivalents and held to maturity investments, Inventories, Government grants and subsidies, New Standards and Interpretations, Accounting for agent principle, Significant judgements and sources of estimation uncertainty note incomplete, and Accounting policies not complete in certain instances.	Proper review processes were not implemented by the CFO to identify inaccuracies and noncompliant elements in the financial statements prior to submission for auditing.	The GRAP disclosure checklist issued by National Treasury to be used to evaluate the application and disclosure of account balances, classes of transactions and disclosure requirements prior to issuing of the financial statements. The AFS will be corrected in line with the findings by AGSA.		31 /05/2019	CFO	Completed	Done. The AFS were corrected in line with the findings by AGSA
31 Pg 114	Inadequate disclosure of the Property, Plant and Equipment in the note to the AFS. The financial statements did not disclose the measurement bases used for determining the gross carrying amount, the depreciation methods used, the useful lives or the depreciation rates used, the gross carrying amount and the accumulated depreciation at the beginning and end of the period; and a reconciliation of the carrying amount at the beginning and end of the period. Although GRAP 17.42 clearly indicates that land and buildings are separate classes of assets, the municipality disclosed them as one class of assets. This is non-compliance with GRAP 17.85.	The AFS were not prepared completely and accurately in accordance with the relevant financial accounting and reporting framework.	The measurement bases used for determining the Property, Plant and Equipment to be disclosed correctly in accordance with GRAP 17. AFS to be adjusted accordingly.		31 /05/2019	CFO	Completed	Done. The AFS were corrected in line with the findings by AGSA

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
32 Pg 116	Inadequate presentation of expenditure breakdown in accordance with GRAP 1. Amounts were identified that are in aggregation material as stated hereunder which was not broken down into the various sub-categories of the related project expenditure as presented in note 28 to the AFS. Project Expenditure - Other R2'090'527. Consequently, this is not in line with best practise required by the accounting and reporting framework for presentation of elements contained in the financial statements. GRAP 1.36, each material class of similar items shall be presented separately in the financial statements.	The CFO did not adequately review the financial statements to ensure compliance with various GRAP standards.	Expenditure: The GRAP disclosure checklist issued by National Treasury to be used to evaluate the application and disclosure of account balances, classes of transactions and disclosure requirements prior to issuing of the financial statements. The AFS will be corrected in line with the findings by AGSA.		31 /05/2019	CFO	Completed	Done. The AFS were corrected in line with the findings by AGSA
33 Pg 118	Presentation of expenditure not according to either nature or function. Project expenditure is presented on the face of Statement of Financial Performance and its notes in accordance with its function and nature which is in contradiction with GRAP 1 as only one method of presentation should be used consistently.	The CFO did not adequately review the financial statements to ensure compliance with various GRAP standards.	Project Expenditure: The AFS should adjusted for current and prior year in order to report project expenditure as general expenses. The GRAP disclosure checklist issued by National Treasury to be used to evaluate the application and disclosure of account balances, classes of transactions and disclosure requirements prior to issuing of the financial statements.		31 /05/2019	CFO	Completed	Done. The AFS were adjusted for current and prior year in order to report project expenditure as general expenses.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
34 Pg 120	Incomplete disclosure of related parties in the financial statements. The disclosure of related parties is not complete and not in accordance with GRAP 20. Note 37 to the financial statements for related parties is incomplete. (a) WEDA- There has been no disclosure relating to transactions and outstanding balances for both the current and prior period. (b) Key management personnel - The detailed disclosure relating to Key management personnel is disclosed in note 22, however, there is no reference made in note 37 – related party note to where key management personnel remuneration is disclosed. (c) Councillors - The information is disclosed in note 23, however, the breakdown of councillors remuneration is not disclosed accordingly as per GRAP20.35. In addition no reference in related parties is made to note 23. The disclosure of related parties is not complete and not in accordance with GRAP.	The CFO did not adequately review the financial statements to ensure that the disclosure is in accordance with GRAP.	To adequately review the AFS and make use of the GRAP checklist available from National Treasury for financial statements accuracy and reliability. The AFS will be updated to correct the disclosure.		31 /05/2019	CFO	Completed	Done. The AFS were updated to correct the disclosure.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
35 Pg 122	Risk management disclosure in the AFS is not in accordance with GRAP. Disclosure of risk management under liquidity risk in the financial statements does not disclose the maturity analysis of non-derivative financial instruments which appear on the financial statements as Payables from exchange transactions and customer deposit.	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Adequate review of disclosure of financial statements using the GRAP disclosure checklist to ensure compliance to GRAP requirements. AFS will be adjusted to disclose the table.		31 /05/2019	CFO	Completed	Done. AFS were adjusted to disclose the table.
	Unauthorised expenditure							
36 Pg 123	Incomplete disclosure of prior year unauthorised expenditure details. The disclosure of unauthorised expenditure in the financial statements we noted that the disclosure of unauthorised expenditure incurred in the prior year does not include a narration of an amount incurred in the prior financial year of R264 645. The Abattoir department overspent by R 26 045 due to an overspending on the budgeted actuarial valuation costs for postretirement medical aid which increased by more than projected.	The CFO did not adequately review financial statements to ensure compliance with MFMA;	Prior year irregular expenditure: Adequate review of disclosure of financial statements using the GRAP disclosure checklist to ensure compliance to GRAP requirements. The AFS will be updated to correct the disclosure.		31 /05/2019	CFO	Completed	Done. The AFS were updated to correct the disclosure.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Irregular expenditure							
37 Pg 124	VAT not excluded from irregular expenditure disclosed in the AFS. The municipality has disclosed irregular expenditure inclusive of VAT. VAT is an indirect tax that should be deducted to correlate with the underlying expenditure or assets as recognised in the financial statements. VAT incorrectly recognised R2'605.90. The R 7'196'315 of irregular expenditure incurred in the prior year and written off in the current was also inclusive of VAT. The Vat portion is R883 635,18. Consequently, the irregular expenditure disclosed by management is overstated for the current and prior financial year amount relating to VAT.	The CFO did not ensure that the entity prepares regular, accurate and complete financial that are supported and evidenced by reliable information	The disclosure of irregular expenditure to be VAT exclusive by performing substantive reviews of the irregular expenditure register and adjust the current and prior year disclosure to reflect amounts exclusive of VAT. AFS will be adjusted to correct the misstatement.		31 /05/2019	CFO	Completed	Done. AFS were adjusted to correct the misstatement.
	Commitments							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
38 Pg 126	Inadequate record keeping of commitments leading to a limitation of scope. The listing of commitments was not adequate. The listing submitted for audit did not contain sufficient and appropriate evidence for the auditors to conclude on the amount disclosed on the annual financial statement. The commitment listing was requested in RFI 35 that was issued on 27 November 2018. This resulted in a limitation on the commitment amount disclosed in the financial statements note 35 disclosed as :Capital=R13 101307 and Leases=R3 587 176	The Chief Financial Officer did not ensure that a complete commitment listing with sufficient and appropriate audit evidence is maintained to enable the auditors to express an audit opinion on commitments.	To maintain a complete commitment listing with information sufficient and appropriate evidence.		31 /05/2019	CFO	Completed	Done. The commitment list was corrected for accurate disclosure to AFS and submitted to AG.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
39 Pg 128	Commitment disclosed does not meet the definition of a contractual commitment. The commitment disclosure note is not in line with the requirements of GRAP. The following suppliers should not be included in the commitment note. • AON- Provision of short-term insurance cover • Ultimate Recruitment Solutions - Advertising Agency @ R15 083 per centimetre column. • Badiredi Travel Services & Harvey World Travel - Travel Agencies @ 9% for Domestic and 5% for International. Consequently this result in the overstatement of the commitments.	The Chief Financial Officer did not ensure that the suppliers included in the commitment note are in line with the requirement of GRAP	To disclose the commitment in line with requirements of GRAP.		31 /05/2019	CFO	Completed	Done. The commitment disclosure note was corrected to meet the requirements of GRAP for accurate disclosure on AFS and submitted to AG.
	Cash flow statement							
40 Pg 129	Differences between the cash flow statement and cash payments to suppliers. GRAP 2. Differences between the cash flow statement and cash payments to suppliers on the cash flows from operating activities under payments were noted. Total amount as per cash flow statement is R49'968'018 and total amount as per auditors calculations is R58'139'134 thus resulting in a difference of R8'171'116. The cash flow statement for the 2017/18 financial period has been materially misstated	The CFO did not ensure that the entity prepares regular, accurate and complete financial that are supported and evidenced by reliable information	Adequate review of the statement of cash flows supported by reliable information on the budget.		31 /05/2019	CFO	Completed	Done. AFS were adjusted to correct the misstatement.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
41 Pg 131	Cash Flow difference in prior year not adjusted in the current year's comparative financial statements. In the prior year WDM was qualified on the cash flow. The audit report for the 2016/17 stated that "GRAP 2, Cash flow statements, requires that the municipality summarises the entity's operating, investing and financing activities. The municipality did not prepare and present its cash flow statement in accordance with GRAP 2 as differences were identified. There is an uncorrected misstatement amount of R574 489.	Management did not ensure that the action plan on prior year finding was adequately monitored and implemented	Adequate monitoring of AG findings relating to prior year to be maintained and implemented. A restated cash flow statement has been prepared.		31 /05/2019	CFO	Completed	Done. AFS were adjusted to correct the misstatement.
	Statement of comparison of budget and actual amounts							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
42 Pg 133	Differences between final budget on statement of comparison of budget and actual amounts and final council approved budget. The statement of comparison of budget and actual amounts we noted a difference between the adjusted budget and final council approved budget. Affected components: Employee related costs, Remuneration of councillors, Transfers and subsidies, Contracted services, Other expenditure, Current assets, Non-current assets, current liabilities and Non-current liabilities. The material misstatement of amounts disclosed in the statement of budget comparison and furthermore will impact on the auditor's report. The uncorrected misstatement amount is R109 097.	The CFO did not ensure that the entity prepares regular, accurate and complete financial that are supported and evidenced by reliable information.	Adequate review the budget statement of financial statements to ensure that it is supported by reliable information on the budget. Adjust the statement to be in line with council approved budget.		31 /05/2019	CFO	Completed	Done. AFS were adjusted to correct the misstatement.
	Audit of compliance							
	Expenditure management							
43 Pg 136	Suppliers not paid within 30 days. The 16 suppliers as identified by AGSA were paid after 30 days of the receipt of invoice. This resulted in non-compliance with the MFMA and reportable non-compliance.	The CFO did not take reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement.	To effectively process invoices to ensure that payments are made within 30 days of receipt of the invoices as required by the MFMA.		30/04/2019	CFO	In progress	Progress on payments made within 30 days and after 30 days to be provided to be Internal Audit.
	Annexure C: Administrative Matters (44-54)							
	Audit of predetermined objectives							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
44 Pg 138	Shortfall of Internal controls to ensure complete and accurate recording and reporting of performance against predetermined objectives. In the audit of basic service delivery and local economic development key performance areas it was identified that the municipality does not have controls in place relating to some assertions relating to the indicators that were scoped into the audit. (1) Basic Service Delivery - % of food outlets issued with certificates of compliance - Number of permitted landfill sites monitored. (2) Local Economic Development – - Percentage of LED forum resolutions implemented - Number of jobs created through EPWP. As a result, recorded achievements might be incomplete and inaccurate	Financial and performance management: Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	To adequately review the reported performance on a quarterly basis corroborated by portfolio of evidence.		30/04/2019	DM:SSP	Completed	Done. Quarter 1 performance assessments were conducted on 16 November 2018. Quarter 2 performance assessments were conducted on 04 April 2019.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
	Audit of compliance							
	Audit Committee							
45 Pg 140	Audit Committee did not meet at least four times a year. During the audit of compliance, we noted that the Audit Committee met only three times during 2017/18 financial year.	The Audit Committee did not ensure that they meet at least four times a year as required by the Municipal Finance Management Act and it's charter.	The new Audit Committee has been appointed and have met 4 times in the current year 2018/19.		31/03/2019	CIA	Completed	Done. Audit Committee convened the following meetings: 20/08/2018 29/08/2018 20/11/2018 15/03/2019 New meeting date 3 May 2019
	Employee-related costs							

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
46 Pg 142	Performance agreements. According to the performance agreements of municipal managers or managers directly accountable to municipal managers of the municipality, performance appraisals ought to be performed annually. In the audit of employee-related costs it was identified that the performance appraisals were not conducted in the year under review. This results in a control deficiency as the municipality might fail to identify areas that require development promptly.	Inadequate processes relating to organisational planning and performance management	Q4 2017/18 Performance Assessment will be conducted on the 15 November 2018. The performance appraisals for municipal managers or managers directly accountable to municipal managers will be performed annually and quarterly performance assessments.		31 /05/2019	DM:SSP	Completed	Done. The quarter 4 2017/18 assessments were conducted on 16 November 2018.
	Control deficiencies							
47 Pg 147	Inconsistencies of grant amounts between the details as per client reconciliation and amounts as per AFS. The discrepancies were noted in the opening balances, closing balances and transfer of conditional grants to revenue. The affected grants are: Equitable share, EPWP, MIG, Mayors Golf Day, and MWIG. The internal control deficiency of inadequate recordkeeping of the grant register is reported.	Management did not Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting as the grants register was not updated with all relevant transactions that occurred during the financial period.	AFS and grant register will be updated to correct the misstatement. To perform regular grant reconciliations and agree to general ledger and financial statements		31 /05/2019	CFO	Completed	Done. AFS and grant register were updated to correct the misstatement.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
48 Pg 146	Internal control deficiencies identified: • The municipality does not assess skills and competencies of the employees before outsourcing to service providers. • The municipality does not have process in place to reward and retain employees who are performing well. As a result, the municipality may appoint consultants for services that could be performed by municipal staff. Service delivery might also be impacted negatively as the municipality might lose competent employees.	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	Management to perform a skills audit before appointing consultants.		30/04/2019	CFO	In progress	

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
49 Pg 148	Terms of reference for council committees. There were council committees who had no written terms of reference or charter which states the duties and responsibilities of each committee delegated to it by the municipal council. Affected committees: • Risk committee • MPAC • Mayoral committee • Budget and treasury committee • Transformation and administration committee • Planning and economic development committee • Infrastructure development committee • Social development committee • Community services committee • Special projects committee • Ethics management committee The roles and responsibilities of the committees may not be properly outlined and as a result, the committees may not be performing the functions delegated to them by council	The municipal council did not ensure that there is a written term of reference or charter for each council committee	Council to develop the Terms of Reference for each of its committees as per the AG's recommendation.		30/06/2019	Manager: ES	In progress	The draft TOR's will serve in the next portfolio meetings for council consideration in May 2019. The Risk Management Committee ToR's were approved on 16 Aug 2018.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
50 Pg 150	Council committees did not meet at least four times a year. The following council committees met less than times 4 in the financial year under review: • Risk committee (0 times) • Budget and treasury committee (3 times) • Planning and economic development committee (3 times) • Infrastructure development committee (3 times) • Special projects committee (3 times) • IT steering committee (0 times) • Ethics management committee (0 times) This result in a control deficiency and the committees did not afford themselves enough opportunity to perform the duties and responsibilities allocated to them by the municipal council and provide oversight.	Council did not ensure that council committees meet at least four times in the financial year under review.	The Terms of Reference for Council Committees to be developed, however a yearly schedule of meetings is developed to regulate the frequency of meetings.		31 /05/2019	Manager: ES	In progress	Risk Committee have met 4 times (16/08/2018, 23/10/2018, 16/11/2018 & 14/03/2019). Progress to be submitted of other Committee.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
51 Pg 153	Policies not reviewed regularly. There were some policies of the municipality that have been approved over two years ago and there is no evidence that the policies were reviewed recently. Identified policies: Employment practice policy 17 June 2015 Long service policy 17 June 2015 Overtime policy 17 June 2015 Virement policy 30 May 2013 Retention policy 28 August 2015 ICT governance framework 30 May 2013 Firewall policy 17 June 2015 IT security policy 23 July 2012 Change management policy 23 July 2012 Data back-up policy 23 July 2012 User management policy and procedure 23 July 2012 IT continuity policy 23 July 2012 Patch management policy. The policies might not address new systems, laws and regulations or technologies which can result in inconsistent practices and none compliance with laws and regulations.	Council did not ensure that policies and procedures are reviewed regularly and updated with the latest regulations.	Management to keep policy register with the following details: name of the policy, custodian of the policy, date approved and date last reviewed. The review of policies will be done on annual basis.		31 /05/2019	M:CSSS	In progress	The policies are in progress for review.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
52 Pg 155	Reviews not performed by the performance audit committee. There was no evidence provided by the municipality to indicate that reviews by the audit committee of the following were made: • Performance management quarterly reports • Review performance management system and make recommendation to the council • Submit an audit report of the reviews performed to the municipal council	The Audit Committee did not complete its functions as a result of vacancies in the committee in the year under review.	The Audit Committee members have been appointed and have already met twice to perform quarterly reviews of performance management.		31/03/2019	CIA	Completed	Done. 2 meetings were held to date to discuss PMS reports. 20/11/2018 & 15/03/2019. The reports were submitted to Council.
53 Pg 157	Performance of the contract not monitored. Performance of the contractors was not monitored on a monthly basis as required by Municipal Finance Management Act No. 56 of 2003 section 116 (2) (b). The following supplier was identified: XLP Solutions R2'716'848.00	Develop and monitor the implementation of action plans to address internal control deficiencies.	Project managers to submit monthly project monitoring reports to Procurement Officer for SCM filling.		31 /05/2019	DM:SCM	In progress	Progress on monitoring of performance contracts is still to be submitted.

No	Description of Finding	Root Cause	Action Plan Description	Start Date	Completion Date	Position	Progress [Completed; In Progress; Not Yet Started]	Narrative to Progress
54 Pg 159	Exception report not reviewed and approved. Property, plant and equipment: The exception report dated 23 March 2018 for asset verification was not reviewed and approved by the Chief Financial Officer and another report provided by management that was signed by the Divisional Manager: Expenditure and the Acting Municipal Manager had not been dated when the report was signed. This results in a control deviation as the controls designed by the municipality are not being implemented and exceptions identified might not be addressed timeously.	Implement controls over daily and monthly processing and reconciling of transactions.	The responsible senior personnel will review and approve exceptions and reconciliations on asset verification immediately after the process is complete. Proof of review and approval should be by the responsible senior's signature and date when the review was performed.		31 /05/2019	CFO	In progress	Progress is still to be submitted to Internal Audit for verification.

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>

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APPENDICES

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2017 – JUNE 2018

	SURNAME & INITIALS	08 Aug 17 (Special)	25 Aug 17 (Ordinary)	07 Dec 17 (Ordinary)	04 Jan 18 (Special)	25 Jan. 17 (Special)	27 Feb. 18 (Sp)	28 Mar. 18 (Ordinary)	31 May 18 (Ordinary)	14 June 18 (Special)	Special=5 Ordinary =4 TOTAL = 9		
											ATTEND	APOLOGY	ABSENT
1.	Baloyi M.B	Present	Apology	Present	Present	Present	Present	Present	Present	Present	8	1	0
2.	Boloka M.R	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
3.	Esply F.Z	Apology	Present	Absent	Absent	Apology	Apology	Absent	Present	Present	3	3	3
4.	Gumede M.J	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
5.	Hlungwane F.S	Present	Present	Apology	Present	Present	Present	Present	Present	Present	8	1	0
6.	Khotsa K.C	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
7.	Lamola K.S	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
8.	Kekana M.J.	INAUGURATED ON THE 27 TH FEBRUARY REPLACING CLLR MAREMA					Present	Present	Present	Present	4	0	0
9.	Laubscher N.	Present	Present	Present	Present	Absent	Present	Present	Present	Apology	7	1	1
10.	Magongwa B.N	Present	Present	Present	Present	Present	Present	Present	Apology	Present	8	1	0
11.	Mampeule R.D	Absent	Present	Apology	Absent	Apology	Apology	Apology	Present	Present	3	4	2
12.	Marema B.S	Absent	Apology	Apology	-	-	-	-	-	-			
13.	Maropeng R	Absent	Absent	Absent	Present	Present	Apology	Present	Absent	Apology	3	2	4
14.	Mataboge S.M	Present	Present	Present	Present	Present	Apology	Present	Present	Present	8	1	0
15.	Mashamaite T.A	Present	Apology	Present	Present	Present	Present	Present	Present	Apology	7	2	0
16.	Mocke B.	Present	Present	Apology	Present	Present	Present	Present	Present	Present	8	1	0
17.	Mogale M.T	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
18.	Majoko S.C	Absent	Apology	Present	Present	Present	Present	Present	Present	Present	7	1	1
19.	Mokwena K.R	Apology	Present	Apology	Present	Absent	Apology	Apology	Present	Present	4	4	1
20.	Molekwa P.	Absent	Apology	Apology	Present	Absent	Apology	Present	Apology	Present	3	4	2
21.	Monama T.E	Absent	Apology	Present	Present	Present	Present	Present	Present	Present	7	1	1
22.	Monene R.N	Present	Present	Apology	Present	Present	Present	Present	Present	Present	8	1	0

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF SPECIAL AND ORDINARY COUNCIL MEETINGS: JULY 2017 – JUNE 2018

	SURNAME & INITIALS	08 Aug 17 (Special)	25 Aug 17 (Special)	07 Dec 17 (Ordinary)	04 Jan 18 (Special)	25 Jan. 18 (Special)	27 Feb. 18 (Special)	28 Mar. 17 (Ordinary)	31 May 18 (Ordinary)	14 June 18 (Special)	Special=5 Ordinary =4		
											TOTAL = 9		
											ATTEND	APOLOGY	ABSENT
1.	Montane N.S	Present	Absent	Present	Present	Present	Present	Present	Present	Apology	7	1	1
2.	Monyamane N.S	Present	Present	Present	Present	Present	Present	Apology	Apology	Absent	6	2	1
3.	Motsepe C.C.S	Absent	Absent	Present	Present	Apology	Apology	Present	Present	Present	5	2	2
4.	Mphahlele S.R	Absent	Apology	Present	Apology	Apology	Apology	Present	Present	Present	4	4	1
5.	Niewenhuis K.H	Present	Apology	Present	Present	Present	Present	Apology	Present	Present	7	2	0
6.	Radebe R.M	Present	Present	Present	Present	Present	Absent	Present	Apology	Present	7	1	1
7.	Satege L.K	Present	Apology	Present	Present	Present	Present	Present	Present	Present	8	1	0
8.	Sebatjane M.P	Present	Present	Present	Present	Present	Present	Apology	Present	Present	8	1	0
9.	Selokela M.J	Present	Apology	Absent	Apology	Absent	Apology	Present	Present	Present	4	3	2
10	Senosha D.	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
11	Senosha S.C.G	Present	Present	Present	Present	Present	Present	Present	Present	Present	9	0	0
12	Tefu M.S	Present	Absent	Present	Present	Present	Present	Present	Present	Present	8	0	1
13	Thobane M.S	Absent	Apology	Present	Present	Present	Present	Apology	Present	Present	6	2	1
14	Tsebe M.A	Present	Present	Present	Apology	Present	Present	Present	Present	Present	8	1	0
15	Kgoshigadi Taueatsoala R.R.	Apology	Present	Apology	Apology	Absent	Present	Apology	-	-	2	4	1
16	Kgoshi Kekana L.V	Absent	Present	Apology	Absent	Absent	Absent	Absent	Apology	Present	2	2	5
17	Kgoshi Seleka P.D	Absent	Absent	Absent	Absent	Absent	Absent	Present	-	-	1	0	6
18	Kgoshi Mahlangu V.N								Present	Present	2	0	0

WATERBERG DISTRICT MUNICIPALITY

ATTENDANCE OF PORTFOLIO COMMITTEE – 2017/18

INFRASTRUCTURE DEVELOPMENT								
	SURNAME & INITIALS	03 Aug 17	07 Nov 17	13 Feb 18	03 May 18	Total = 4		
						ATTEND	APO	ABS
1	Radebe R.M	Present	Apology	Apology	Present	2	2	0
2	Selokela M.J	Present	Present	Present	Present	4	0	0
3	Molekwa P	Present	Present	Present	Present	4	0	0
4	Mocke B	Apology	Present	Present	Present	3	1	0
5	Motsepe C.C.S	Absent	Present	Present	Apology	2	1	1

PLANNING AND ECONOMIC DEVELOPMENT								
	SURNAME & INITIALS	26 Jul 17	08 Nov 17	14 Feb 18	25 April 18	Total =4		
						ATTEND	APO	ABS
1	Sebatjane M.P	Present	Present	Present	Present	4	0	0
2	Senosha S.C.G	Present	Present	Present	Present	4	0	0
3	Thobane M.S	Present	Present	Present	Present	4	0	0
4	Mampeule R.D	Present	Present	Present	Present	4	0	0

SOCIAL DEVELOPMENT								
	SURNAME & INITIALS	04 Aug 17	09 Nov 17	15 Feb 18	26 April 18	Total =4		
						ATTEND	APO	ABS
1	Boloka M.R	Present	Present	Present	Present	4	0	0
2	Magongwa B.N	Present	Present	Present	Present	4	0	0
3	Mphahlele S.R	Absent	Present	Present	Present	3	0	1
4	Mogale M.T	Present	Present	Present	Apology	3	1	0
5	Taueatsoala R.R.	Absent	Absent	Apology	Present	1	2	1

	(Kgoshigadi)							
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COMMUNITY SERVICES								
	SURNAME & INITIALS	27 July 17	09 Nov 17	15 Feb 18	04 May 18	Total =4		
						ATTEND	APO	ABS
1	Monyamane N.S	Present	Present	Present	Apology	3	1	0
2	Niewenhuis K.H	Present	Present	Present	Present	4	0	0
3	Senosha D	Present	Present	Present	Present	4	0	0
4	Marema B.S	Apology	Present	Deceased		1	1	0
5	Kekana M.J				Present	1	0	0
6	Seleka P.D (Kgoshi)	Absent	Absent	Absent	Absent	0	0	4

SPECIAL PROJECTS								
	SURNAME & INITIALS	04 Aug 17	10 Nov 17	19 Feb 17	04 May 18	Total =4		
						ATTEND	APO	ABS
1	Mokwena K.R	Present	Present	Present	Present	4	0	0
2	Gumede M.J	Present	Present	Present	Present	4	0	0
3	Esply F.Z	Present	Apology	Present	Present	3	1	0
4	Maropeng R	Apology	Present	Present	Apology	2	2	0
5	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	Acting Municipal Manager : G. Tloubatla
Budget & Treasury Office	Acting Chief Financial Officer : K. Makgobela
Infrastructure Development	Acting Manager : B. Mthombene
Planning & Economic Development	Acting Manager : P. Siebe
Social Development and Community Services	Manager : M. Mampa
Office of the Executive Mayor	Manager : P Makondo
Corporate Support & Shared Services	Acting Manager: T. Manaka

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 2017/18(Full List at Appendix N)					R' 000
No.	Project Name and detail	Start Date	End Date	Total Value	
	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 2016/17
	Not applicable	Not applicable
		T F.3

APPENDIX G- Recommendations of the Municipal Audit Committee 2017/18

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2017/18	Recommendations adopted (enter Yes); not adopted (provide explanation)
20 August 2018	The financial variances in the financial report be properly explained.	Adopted and Implemented
	Project Status Report: The reasons for not spending on office equipment and IT equipment be provided.	Adopted and Implemented
	A detailed report on the analysis of Overtime for the Municipality.	Not yet implemented
	The inclusion of the following projects in the Annual Internal Audit Plan: Payroll; Disaster Management and Environmental Health	Adopted and Implemented
	The Audit Committee referred back to management the 4 th quarter Performance Report for further review and an addendum be prepared for Audit Committee purpose after review.	Adopted and Implemented
	The AFS be reviewed by an Internal Audit before they are submitted to the Audit Committee.	Adopted and Implemented
29 August 2017	The Chief Financial Officer to check financial records and liaise with Local Municipalities on the amounts they are declaring as debt pertaining to Fire-fighters departments.	Adopted and Implemented
	The submission of the annual financial statements for WEDA with the inputs made by 31 August 2017.	Adopted and Implemented
	The submission of the Annual Performance Report with the inputs made by 31 August 2017.	Adopted and Implemented
	The Audit Committee recommended the submission of the Annual Financial Statements with the inputs made by 31 August 2017.	Adopted and Implemented
14 August 2017	The Internal Control and Risk Officer to make the changes to Risk Management Policy with the inputs made and forward to Audit Committee members by 18 th August 2017.	Adopted and Implemented

APPENDIX H – Long Term contracts and Public Private Partnership

ACTIVE LONG TERM CONTRACTS AS AT 30 JUNE 2018

#	Project Description	Date Awarded	Name of Service Provider/ Contractor	Duration of a contract	Project Completion date	Amount Awarded	Responsible department	Actual 15/16	Actual 16/17	Actual 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	573,989	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	606,136	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	28,000	250,000	265,500	281,165
4	Provision of Legal Services	15-Dec-15	Mohale Incorporated	36 months	Jan-19	SCHEDULE	CSSS	72,937	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	718,955	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	78,005	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	90,783	759,400	806,483	854,065
8	Provision of the Advertising Services	03-Dec-13	Ultimate Recruitment Solution	36 months	Dec-16	SCHEDULE	CSSS	390,010	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	1,445,005	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	437,494	2,168,600	2,303,053	2,438,933
11	IFMS- Licencing, Support and Maintenance	07-Sep-11	Munsoft (Pty) Ltd	20 years	Aug-31	1,593,546	BTO	755,412	974,000	1,034,388	1,095,417

1 2	Implement ation of Virtual Private Network	28-Jun- 12	SITA	36 Months	Jun-15	4,640,667	CSSS	66,342	234,500	249,039	263,732
1 3	Production of Newsletter	09-Dec- 13	Kgantshi Marketing Adverting and Promotions	36 Months	14-Dec- 16	480,000	ES	160,000	-	-	-
1 4	Rural Road Asset Manageme nt System	16-Jul- 13	Tshashu Consulting	36 Months	30-Jun- 16	4,551,754	ID	-	1,897,000	1,992,000	2,133,000
1 5	Provision of VOIP services for telephone system for Mokopane EHP Office	14-Apr- 14	Least Cost Communic ation t/a Callsave	36 months	14-Apr- 17	129,901	CSSS	241,813	-	-	-
1 6	Extension of provision of VOIP services for telephone system to WDM Head Office	19- May-14	Least Cost Communic ation t/a Callsave	36 months	19-May- 17	See #12	CSSS	10,625	-	-	-
1 7	Waterberg District Municipalit y Building Maintenan ce	14- May-15	M2M Projects and Sthembekil e Farm and Project JV	36 months	21-May- 18	SCHEDULE	ID	796,522.00	1,100,000	1,168,200	1,237,124
1 8	Waterberg District Municipalit y Building Maintenan ce	14-Apr- 15	Seabi Distributor s	36 months	25-May- 18	SCHEDULE	ID	161,039.00	1,100,000	1,168,200	1,237,124
1 9	Appointme nt of Professiona l Consultants for Provision of Project Manageme nt Unit function on behalf of Infrastructu re Departmen t	13-Jul- 15	SML Projects Pty LTD	36 months	26-Aug- 17	SCHEDULE	ID	5,807,168	-	-	-

APPENDIX J- Disclosure of Financial interest

WDM DECLARATION OF FINANCIAL INTEREST FOR 2017/18

OFFICIALS

No.	Title	Officials Name		Designation	Company Name
1.	Mr	Siebe	Phathutshedzo	Divisional Manager Development Planning	Rirothe Planning Consulting
2.	Mr	Seshoka	Maomela Jack	Technician	Maomela Trading Enterprise
3.	Mr	Ngobeni	Joseph	Sports Officer	Roxanne Business Enterprise
4.	Mr	Mello	Lesibana Comfort	CSSS- Secretary	Re a Tekgancha Coperative
					Bamello Co Lyfistyle(PTY) LTD
					Rise Now Trading 28
5.	Ms	Makgobela	Ketlana Julia	Divisional Manager Supply Chain Management	Kgobie Construction
					2009/125711/23
6.	Mr	Morema	Mahlatse Ebdan	Risk Officer	Occupational Safety and Health Hazard
					Prateve 101 CPS (Security)
					MmaJoyce Catering and Supply and
7.	Ms	Phasha	Letty Mummy	Control Room Operator	NHSM Holdings
8.	Mr	Tsebe	Sesheke Keakile Benjamin	Control Room Operator	Thandolwethu Limpopo Enterprise
9.	Ms	Ntshangase	Tebogo	Committee Officer	Moreleba Agricultural Cooperative
					Transakisie Trading
					Lexion Networks Enterprise

10.	Ms	Legodi	Raisibe Martha	PA-Speaker	Morwamogolo Constructions and Projects CC
11.	Mr	Sole	Leonard	Manager: Planning and Economic Development	Waterberg Economic Development Agency
12.	Ms	Lekalakala	Makgoba Paulina	Receptionist	Ndabi and Rakgadi Trading
					Nkome Farming and Projects
13.	Mr	Tloubatla	Letseka Gladwin	CFO	LKT Logistics (PTY) LTD
14.	Ms	Macheke	Ramadimetja Ivy	Environmental Health Practitioner	Joteko Business and Enterprise
15.	Mr	Lesabane	Tumisho Herman	Financial Mangement Intern	K2014276834
16.	Ms	Lebelo	Cynthia Maskosana	Internal Audit Intern	Mantshe Trading Enterprise
17.	Ms	Nekahalale	Prudence	ICT Officer	QuimEssential Palace
18.	Mr	Ledwaba	Mapitsela Goeffren	Messenger Driver	Lephalale long Distance Taxi Association
19.	Ms	Mabusela	Kgomotso Patricia	EHP	Tsobaphudi Service
20.	Ms	Moraka	Matlhodi Johannah	PA Executive Mayor	Modukagago Projects
21.	Mr	Mashabane	Tebogo Emmanuel	PA Chief whip	Tmash Event Management
22.	Mr	Raseruthe	Ngoako Raymond	Station Officer	Babirwa Ba Mmangoato
23.	Mr	Chokwe	Letlhogonolo Sabatha	Control Room Operator	DCSK Company
24.	Ms	Nogilana-Raphela	Patricia Feziwe	Manager: CSSS	Lubalalo Bricks Development and Business Projects

COUNCILORS

No.	Title	Councilor Name		Designation	Company Name
1	MS	Laubscher	Nadine	Councillor	Fiinvest Financial Services
2	Mr	Hlungwane	Freddy SELLO	Councillor	Hlungwane Group (PTY)LTD

3	Mr	Baloyi	Mokhachane Ben	Councillor	Nzalamayareshaka Security and Projects
4	Ms	Mocke	Bianca	Councillor	Perfectly Dressed
5	Mr	Tsebe	Malesela Abram	Councillor	Mokofuto Trading and African Hazi Trading
6	Ms	Boloka	Rosina Mosima	MMC	Belokang Matilo Trading Enterprise
7	Mr	Niewenhuis	Karez Hendrik	Councillor	A and K Mining
8	Mr	Khotsa	Charles Kgotola	Councillor	Charl K
9	Ms	Motsepe	Ciluesta Cathrine Shona	Councillor	Basiya One Funeral Services
10	Ms	Mokwena	Kelebone Ragel	MMC	Lekhuhlile Cleaning and Projects
11	Mr	Thobane	Madumetja Sam	Councillor	Lenyasa trading (PTY)
12	Ms	Magongwa	Beauty Ntombenhle	Councillor	Kopang Minoing Primary Co-Operative
					Bentoma Catering, Trading and Projects

APPENDIX K- Revenue Collection Performance By Vote and By Source

See the attached 2017/18 Audited Annual Financial Statement

APPENDIX K (ii) – Revenue Collection Performance By Source

See the attached 2017/18 Audited Annual Financial Statement

APPENDIX L – Conditional Grants Received: Excluding MIG

See the attached 2017/18 Audited Annual Financial Statement

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

See the attached 2017/18 Audited Annual Financial Statement

APPENDIX M – Capital Expenditure – New Assets Programme

See the attached 2017/18 Audited Annual Financial Statement

APPENDIX N –Capital Programme by Project 2017/18

Not applicable

APPENDIX O - Capital Project by Ward 2017/18

Capital Programme by Project by Ward 2017/18		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water	N/A	
"Project A"	N/A	
Sanitation/Sewerage	N/A	
Electricity	N/A	
Refuse removal	N/A	
Economic development	N/A	
Environment	N/A	
Health	N/A	
Safety and Security	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 applicable	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 2017/18				
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 2017/2018

See the attached 2017/18 financial statement