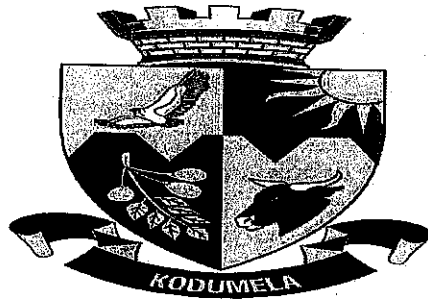


# BLOUBERG LOCAL MUNICIPALITY



## 2017/2018 ANNUAL REPORT

### VISION

A Municipality that turns prevailing challenges into opportunities For growth and development through optimal utilization of available resources

### MISSION

To ensure delivery of quality services through community participation and creation of enabling environment for economic growth and job creation

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**ANNUAL REPORT 2017/2018**  
**BLOUBERG LOCAL MUNICIPALITY**



**1. OUR VISION**

A participatory municipality that turns prevailing challenges into opportunities for growth and development through optimal utilization of available resources.

**2. OUR MISSION**

To ensure delivery of quality services through community participation and creation of an enabling environment for economic growth and job creation

**3. OUR MOTTO**

Kodumela Moepa Thutse

#### 4. OUR VALUES

Transparency, Diligence and Honesty

##### GENERAL INFORMATION

|                                       |  |
|---------------------------------------|--|
| NAME OF ORGANISATION                  | BLOUBERG LOCAL MUNICIPALITY  |
| TYPE OF ORGANISATION                  | LOCAL GOVERNMENT/ MUNICIPALITY CATEGORY B  |
| PROVINCE                              | LIMPOPO  |
| DISTRICT                              | CAPRICORN  |
| REGISTERED PHYSICAL ADDRESS           | 2 <sup>ND</sup> BUILDING MOGWADI/ DENDRON ROAD<br>SENWABARWANA 0790  |
| POSTAL ADDRESS                        | BOX 1593 SENWABARWANA 0790   |
| TELEPHONE                             | 015 505 7100   |
| FAX                                   | 015 505 0296   |
| EMAIL                                 | <a href="mailto:INFO@BLOUBERG.GOV.ZA">INFO@BLOUBERG.GOV.ZA</a>   |
| WEBSITE                               | <a href="http://WWW.BLOUBERG.GOV.ZA">WWW.BLOUBERG.GOV.ZA</a>   |
| BANKERS                               | ABSA BANK LIMITED  |
| SATELLITE OFFICES                     | ALLDAYS SATELLITE<br>ELDORADO SATELLITE<br>TOLWE SATELLITE<br>LANGLAAGTE SATELLITE<br>INVERAAN SATELLITE<br>HARRISWICH SATELLITE |
| AUDITORS                              | AUDITOR GENERAL OF SOUTH AFRICA  |
| MAYOR                                 | CLR MASEKA SOLOMON PHEEDI  |
| ACCOUNTING OFFICER/ MUNICIPAL MANAGER | MACHABA JUNIAS   |



## **FOREWORD BY THE MAYOR**

The Annual Report reflects on the performance of the council for the 2017/2018 financial year. The report focus on both financial and non-financial performance of the institution as the audit also focused on the same.

The report was crafted using the local government six key performance areas namely: Good Governance and Public Participation, Financial Viability and Management, Basic Service Delivery, Municipal Transformation and Organizational Development, Local Economic Development and Spatial Rational.

### **1. KPA.01: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The 2017/2018 financial year has been one of the most difficult year for the municipality. The municipality had a high number of acting positions at the senior management level. The position of the senior managers: Technical Services, Corporate Services, Chief Finance Officer and Community Services had been vacant for some time. One can imagine the inconsistencies caused by the acting arrangements.

For obvious reasons the municipal performance as well as the audit would adversely be affected. As a point of departure, the municipality had the audit action plan in place to address the issues as raised in the 2016/2017 audit report. The recurring issues in the report were VAT and asset management and unauthorized, fruitless and wasteful expenditure. The Audit Action plan was approved to deal with issues in the audit report. For the 2017/2018, the audit focused on the performance information. The matters of emphasis in the report are the recurring VAT and Payables in the audit report.

The 2017/2018 financial year has been a very hectic one. We experienced some council disruptions and after strengthening of security during councils the situation improved.

Council was able to approve the 2016/2017 annual report, Oversight report and 2018/2019 IDP.

### **2. KPA 02: FINANCIAL VIABILITY AND MANAGEMENT**

During the year under view, the council was able to approve the budget and its related policies. The council was able to improve on the financial system to turnaround the financial fortunes of the municipality. The financial status of the municipality were not as satisfactory as planned particularly the own revenue part.

We did not attain the target as set out in the begging of the year. The major sources as envisaged were traffic services and sale of sites. We could not sell the sites as planned and the target had to be deferred to 2018/2019 financial year. The municipality had two incidents of armed robbery in the traffic services department and at Raweshi satellite offices were cash was stolen and drop saves destroyed.

We had since contracted the cash in Transit Company to manage the safety of the municipal cash.

The supplementary valuation roll was compiled.

The municipality had invested an amount of 10 million rand during the period under view.

### **3. KPA 03: BASIC SERVICES DELIVERY**

The municipality experienced repeated breakdowns of the machinery and plant, which negatively affected the delivery of services. The worst affected service was on road maintenance. All the capital projects were completed on time except for the Coopers park community hall upgrading that had budgetary constraints.

The year saw the municipality implementing one of the flagship project in the Alldays Solar Street lights.

Waste collection was done weekly in the towns

A total of 656 households were electrified covering amongst others the following villages (Addney, Mochemi, Miltonduff, Hlako, Witten. Mokhurumela, Genoa, Eussoringa, Kgatla and Makgari)

Four creches were constructed and handed over namely Mokhurumela, Mamehlabe, Inveraam and Puraspan

A total of 4,4 kilometres of internal streets were tarred covering Senwabarwana Phase 7 & 8, Avon phase 3 and Indermark Phase 4

### **4. KPA 04: KPA MUNICIPAL TRANSFORMATION AND ORGANISATION**

The municipality had a functional audit committee and the municipal public accounts committee.

The ward committee conference was convened in Tzaneen, Karibu lodge and it was successful. All the ward committees are functional and they meet as planned.

The service provider compiled the annual financial statements. The annual financial statements were submitted on time. The mayor's bursary fund benefitted four learners.

### **5. KPA 05: LOCAL ECONOMIC DEVELOPMENT**

The Municipality is bound by law to make the conditions for the development of the local economy conducive.

The report commissioned in the Blouberg Vision 2040 (Blouberg Growth and Development Strategy) indicates that the economy of the municipality is growing by 1% annually. Unemployment rate is 23% and among the young people is 47%.

The municipality has not done well in the area of economic development given its contribution in the district economy. Few people are employed in the mining and agricultural sector.

The other sectors like manufacturing contributes little as there are no industries in the municipality.

Support to the SMMES and emerging farmers is provided through partnership with Venetia mine and the department of Agriculture in the province.

The tourism composite guide has been developed and we hope it help unearth tourism potential within the Municipality

#### **6. KPA 06: SPATIAL RATIONAL AND PLANNING**

We have mentioned that the municipality is land logged and therefore prime land for business and residential use is not adequate. For the period under review the municipality experienced lot of land invasions and grabs.

Most of the incidents occur around Senwabarwana and Alldays. We had legal battles with the perpetrators and lot of funds in the form of legal fees were used in the process.

The municipality was not able to dispose off the land in the Senwabarwana and Alldays areas as planned.

Rather in the process, the policies and by-laws in the respect were developed and approved. The policies were taken through the public participation process to allow communities to input on.

In this regard, compliance was key and I can safely say that for the 2018/2019 financial year all land related issues shall have been dealt with.

The council had budgeted funds for the purchase of land, about 300 hectors in Alldays but it could not go through because of the claim lodged on the property.

CLLR PHEEDI M.S

MAYOR

# **CHAPTER ONE: OVERVIEW AND EXECUTIVE SUMMARY**

## CHAPTER ONE: OVERVIEW AND EXECUTIVE SUMMARY

### 1.1 NOTICE OF ESTABLISHMENT AND BRIEF BACKGROUND

Blouberg Local Municipality was established in terms of the demarcation notice as NP351 in the Extraordinary Gazette 100 of October 2000. The municipality is a category B as determined in terms of section 4 of the Local Government: Municipal Structures Act No 117 Of 1998.

It is the municipality with a collective executive system contemplated in section 2(a) of the Northern Province Determination of Types of Municipalities Act (4) of 2000. The boundaries are indicated in map 13 of the demarcation notice. The name of the municipality is Blouberg named after the Blouberg Mountains. Blouberg Local Municipality was originally established in the year 2000 after the amalgamation of the Bochum- My-Darling TLC, Alldays – Buysdorp TLC and other portions of Moletji- Matlala TLC. This municipality is one of the four municipalities constituting Capricorn District municipality. Other municipalities constituting the Capricorn District municipality are: Lepelle- Nkumpi, Molemole and Polokwane.

Blouberg Local Municipality is situated approximately 95 kilometers from Polokwane towards the far northern part of the Capricorn District municipality. It is bordered by Polokwane on the south, Molemole on the southwest, Makhado on the northeast, Lephalale on the northwest, Mogalakwena on the southwest and Musina on the north.

| Variable             | Community Survey 2007 | Census 2011 | Community Survey 2016 |
|----------------------|-----------------------|-------------|-----------------------|
| Wards                | 19                    | 21          | 22                    |
| Number of Villages   | 125                   | 125         | 137                   |
| Number of Households | 35 595                | 41 416      | 43 747                |
| Population           | 194 119               | 162 625     | 172 601               |

The above table depicts Municipal demographic trends since 2006. The number of Wards and settlements have increased due to 2006 and 2016 Municipal Demarcation process respectively. That has resulted in some villages demarcated into Blouberg Municipality. In the year 2006 the government approved the decision by the municipal demarcation board to incorporate settlements of Vivo, Tolwe, Maastroom, and Swartwater Baltimore Uitkyk N0 1 which were in the Makhado Local municipality, Lephalale and Aganang Local municipality. (**Notice 642, Gazette 1314, December 2006**). The disestablishment of Aganang Local Municipality in 2016 resulted in the following villages demarcated into Blouberg Local Municipality; Burgwal, Cooperspark, Mankodi, Terrebrugge, Leokaneng, Pinkie, Sebotse, Rosenkrantz, Ngwanallela, Mamehlabe, Boslagte and Prospect.

## 1.2 REGIONAL CONTEXT

Blouberg Local municipality is a predominantly rural municipality situated to the northwestern boundary of the Republic of South Africa, with Botswana and Zimbabwe. Roads **R521 (P94/1 and P94/2)** provides a north-south link between Blouberg and Molemole, Polokwane and Makhado municipality. To the east the municipality is served by road **R523 (D1200)** which provides access to the towns such as Mogwadi, Morebeng, Duiwelskloof, Tzaneen and Lephalale. There is another important road (**N11**) from Mokopane town to Botswana that passes through the municipality, which has the potential to stimulate economy.

This roads network serves as key important linkages, which serve as corridors and gateways to major economic destinations (Venetia Mine, Coal of Africa and Lephalale such as Coal mines and Medupi power station).

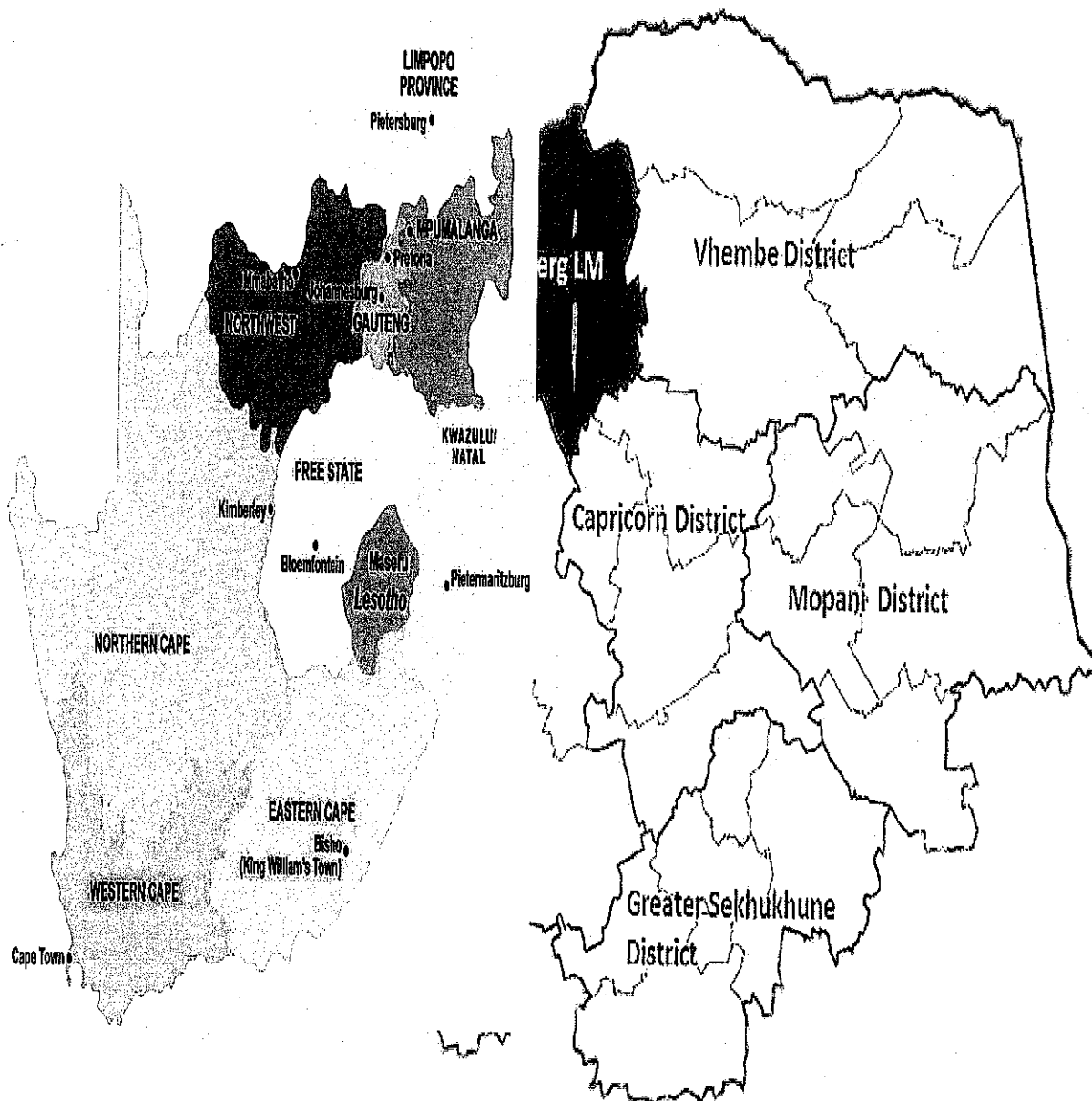
It is therefore imperative for the municipality to optimize the potential these important routes pose not only for access and mobility but also for economic development, especially for stimulating tourism development.

There are big rivers and tributaries that traverse the municipality with Mogalakwena being the biggest one. The Limpopo River serves as the border between the municipality and the neighboring country of Botswana. As a result, the municipality is a gateway to the neighboring countries. The rivers in the main are used for agricultural purposes by farmers, but again for domestic use by communities, which experience water shortages.

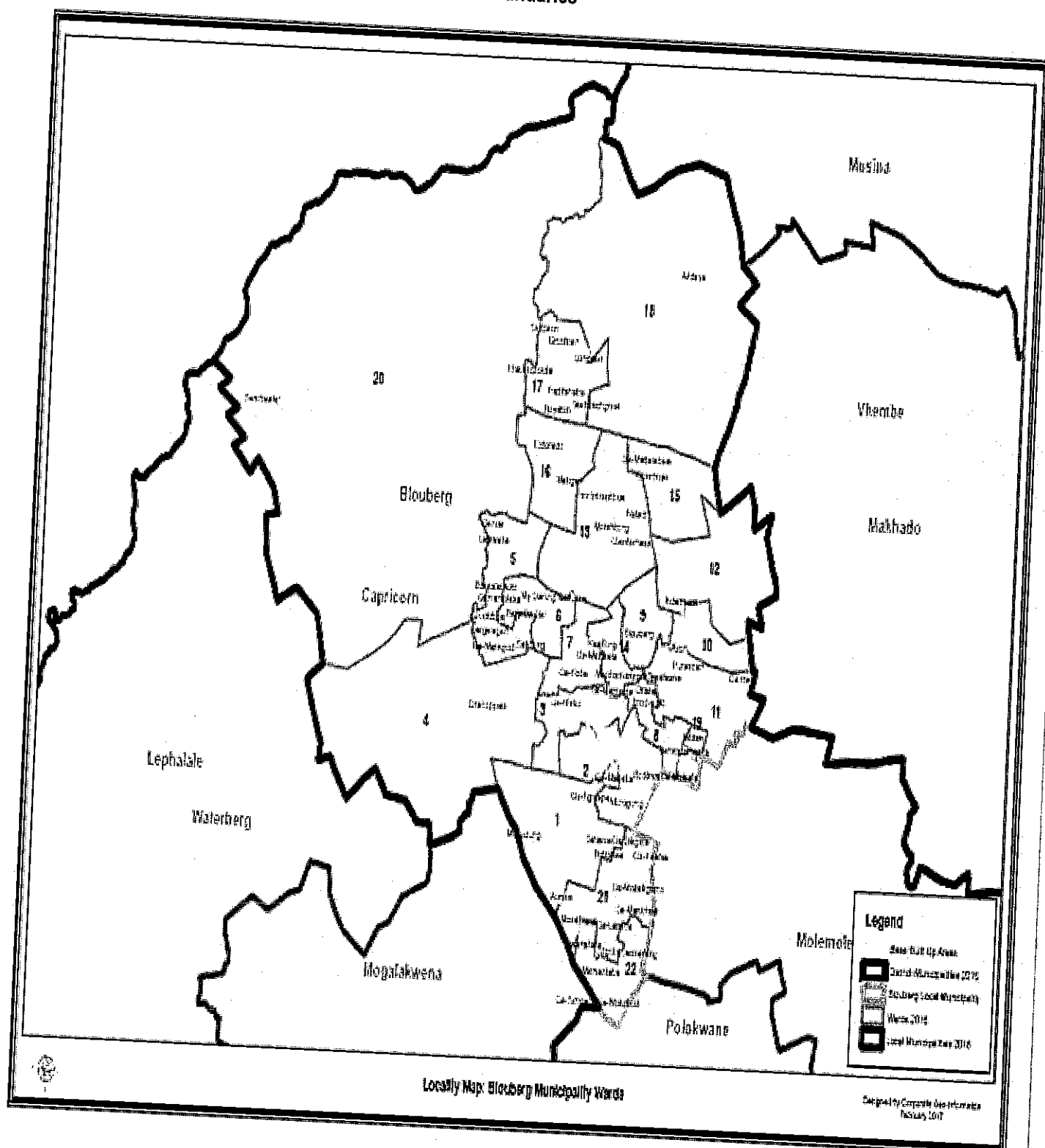
There are various mountain ranges found within the municipality with the Blouberg Mountain being the biggest mountain. The other mountains are the Makgabeng, which was declared the national heritage site because of its historical significant. The municipality is divided into three visible categories of land ownership. There is a portion of land owned by private individuals, which consists mainly of farms that are used for agricultural purposes, land owned by traditional leaders where large communities reside and live and state land.

Large parts of the municipality consist of private farms used for agricultural purposes

Map 1) Map of South Africa and Limpopo Province depicting the location of Blouberg Municipality within the Limpopo Province, in particular, and the country, in general.



Map 2: Blouberg map depicting its wards and outer boundaries





## 1.2. POWERS AND FUNCTIONS

|  |  |
|--|--|
| The provision and maintenance of child care facilities   | Cleansing  |
| Development of local tourism   | Control of public nuisances  |
| Municipal Planning   | Control of undertaking that sell liquor to the public                              |
| Municipal Public Works   | Fencing and fences   |
| Municipal Public Transport   | Ensuring the provision of facilities for accommodation, care and burial of animals |
| Storm Water management system  | Licensing of dogs  |
| Administration of trading regulations  | Licensing and control of undertakings that sell food to the public                 |
| Provision and maintenance of water and sanitation (need to amend the notice of establishment as the function lies with the CDM at present) | Administration and maintenance of local amenities                                  |
| Administration of billboards and display of advertisements in public areas   | Development and maintenance of sports facilities                                   |
| Administration of cemeteries, funeral parlours and crematoria  | Development and administration of markets  |
| Cleansing  | Development and maintenance of municipal parks and recreation                      |
| Regulation of noise pollution  |  |
| Administration of pounds   |  |
| Development and maintenance of public places   |  |
| Refuse removal, refuse dumps and solid waste disposal  |  |
| Administration of street trading   |  |
| Provision of municipal health services (need to amend the notice of establishment as the function lies with the CDM at present)            |  |
| Electricity Provision  |  |
| Regulation of noise pollution  |  |

### **1.3 ENERGY PROVISION**

The municipality is the energy services authority as it has license and is responsible for implementation and reticulation of electricity in all the areas of jurisdiction alongside Eskom. To date all the settlements in the municipal areas except for the extensions that do not have access to electricity. However the Municipality with the assistance of ESKOM annual connects extensions.

### **1.4 ROADS AND PUBLIC TRANSPORT**

The municipality is responsible for municipal roads only while there are roads assigned to RAL and SANRAL.

The municipality has developed and approved the Integrated Transport Plan

### **1.5. WATER AND SANITATION**

Capricorn District municipality is the water services authority and provider for both water and sanitation.

The district is also responsible for operation and maintenance

### **1.6. REFUSE REMOVAL /WASTE COLLECTION**

The municipality has approved the integrated waste management plan and is the only authority that manages waste removal and collection. The exercise is done in the towns of Senwabarwana and Alldays and in other 11 villages. The function is rendered on daily basis in both Senwabarwana and Alldays and bi-weekly in other villages.

The municipality has two landfill sites and one transfer station.

### **1.7. HOUSING PROVISION**

The provincial department of COGHSTA renders the function while the municipality coordinates and identifies beneficiaries. To date about 6200 low cost houses have been completed in the municipality.

### **1.8. LOCAL ECONOMIC DEVELOPMENT**

The pillars of the economy in the municipality are agriculture, mining, tourism and retail development.

To date mining prospects are growing in both wards 01, 02, and 03, while Venetia mine has moved from being open cast to underground mining activity. Agriculture remains the strongest pillar as it contributes two-thirds of the local GDP.

The second sector is the retail development, which is hampered by lack of land for development.

Most of the employment created was through municipal capital works program and EPWP.

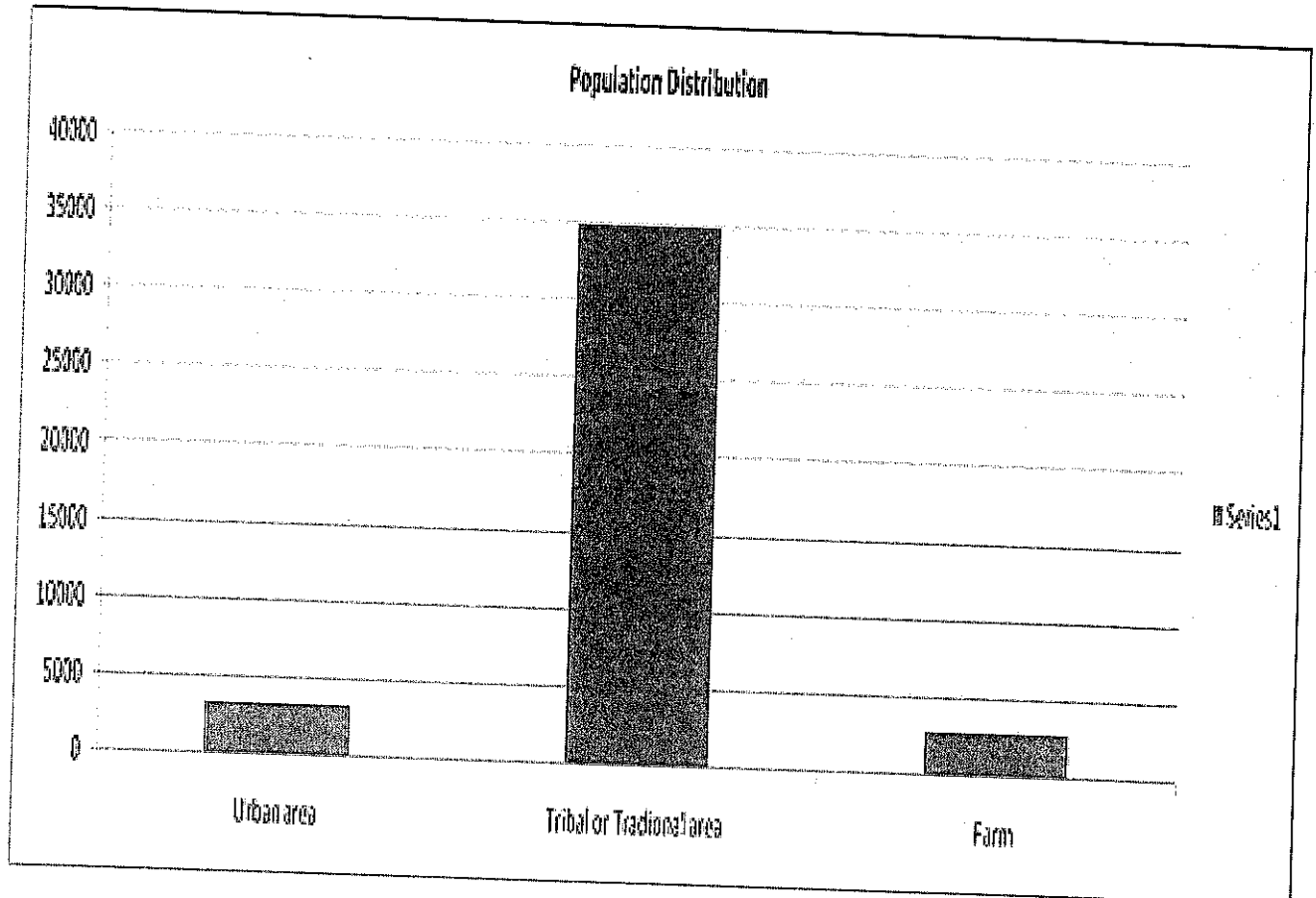
### **1.9. NATURAL RESOURCES**

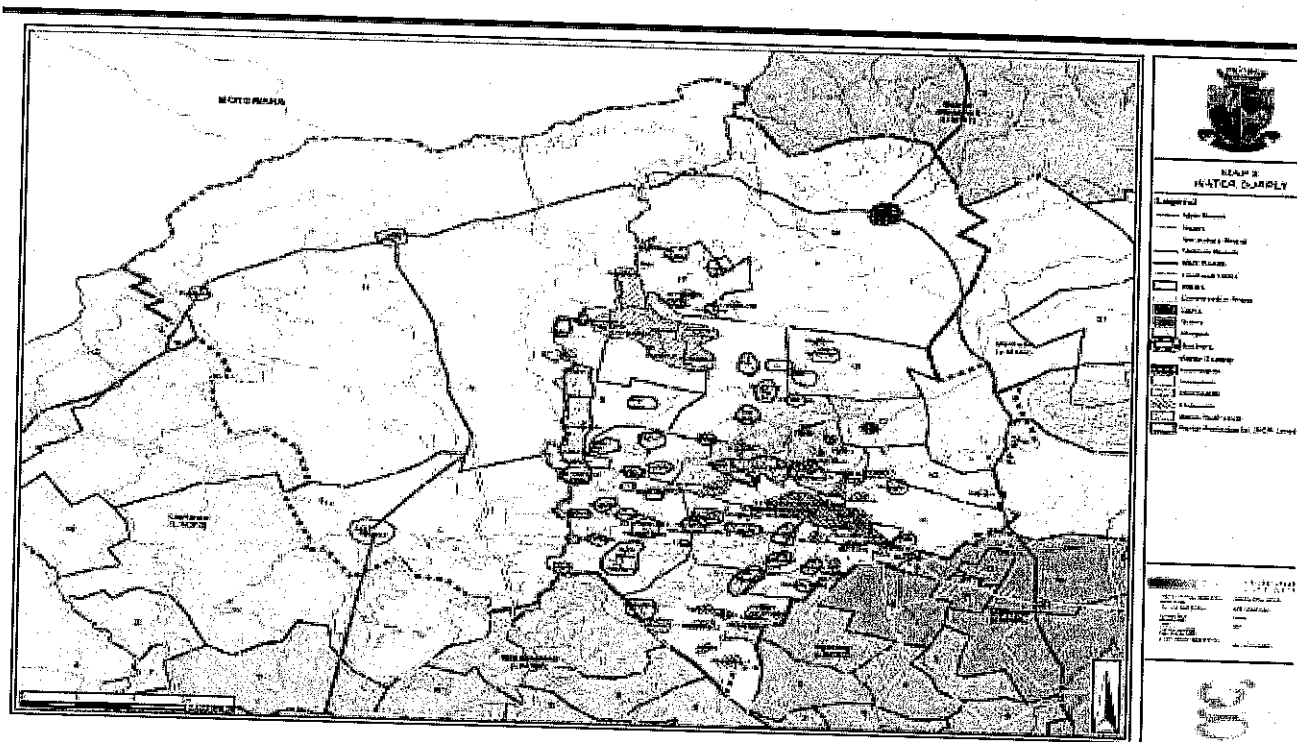
|                         |   |
|-------------------------|---|
| Rivers and Streams      | Livestock water and farming             |
| Mountains and Hills     | Heritage and Historical sites           |
| Game Reserves and Farms | Wild game preservation and conservation |
| Wetlands and Swamps     | Heritage sites                          |

### 1.10 DEMOGRAPHICS

According to Stats SA the municipality has five national groupings that residing within its area of jurisdiction and they are: Black Africans, Colored, Indians and Whites. The majority is Black Africans who constitute 98% of the total population and live in the tribal areas. The female folk are dominant and the majority is youths.

The graph below clearly indicates the population distributions of the municipal population.





## 1.11. STATISTICAL INFORMATION AND WARD PROFILING

### 1.11.1. STATISTICS SOUTH AFRICA (Census 2011 & Community Survey 2016)

| ITEM       | (Census Stats) 2001 | 2007(Community Survey) | Census Stats SA 2011 | Community Survey 2016 |
|------------|---------------------|------------------------|----------------------|-----------------------|
| POPULATION | 171 721             | 194 119                | 162 629              | 172 601               |
| HOUSEHOLDS | 33 468              | 35 595                 | 41 192               | 43 747                |

### 1.11.2. POPULATION GROUP BY GENDER

| GROUP         | MALE  | FEMALE | TOTAL  |
|---------------|-------|--------|--------|
| BLACK AFRICAN | 73195 | 87 880 | 161075 |
| COLOURED      | 40    | 26     | 65     |
| INDIAN        | 129   | 22     | 151    |
| WHITE         | 540   | 466    | 1006   |
| OTHER         | 249   | 83     | 332    |

## **2. SERVICE DELIVERY OVERVIEW**

For the year under view all the capital projects were completed in time except for Senwabarwana Sports Complex Phase 01 and Senwabarwana High Mast Lights Phase 02. The other projects that were completed were all the electricity projects from the former Aganang municipality and the upgrading of the Cooper spark hall and the construction of the Cooper spark bridge. The electricity projects were the extensions of Turrebrugge, Mankgodi, Mamehlabe, Ngwanallela and Rosencrantz.

The beneficiaries of the free basic alternative energy continued to access the services.

### **2.1. COMMENT ON ACCESS TO BASIC SERVICES**

Electricity provision is currently at 97% as the municipality has license.

There is still a huge backlog on the access to sanitation services while water sources remain the challenge.

The problem of the illegal water connection and vandalism of the infrastructure persist.

There is also a remarkable backlog in the provision of low cost houses.

The provision of free basic Services is also not adequately done.

The municipality is having the backlog in the maintenance and upgrading of the roads.

The roads are mainly the provincial and national roads.

Access to land for both residential and business development is a challenge.

Waste and refuse management is a challenge due to limited resources.

The municipal turnaround time in addressing disruptions and complaints has improved tremendously.

### **2.1.2. FINANCIAL HEALTH OVERVIEW**

Blouberg is a rural municipality and one of the poorest in the province. The table above showed that 90% of the population lives in the rural areas. The report by Statistics South Africa indicated the bleak state of affairs with high poverty levels, unemployment and illiteracy rates. The status definitely have a bearing on the financial state of the municipality. The municipality is dependent on the grants from national treasury while only 30% is own revenue.

The grants are equitable shares, Municipal Infrastructure grant, integrated electrification program me, Municipal Infrastructure grant and EPWP grant.

The sources for own revenue are: Sale of electricity( Pre-paid and Conventional), Sporadic Sale of Sites, Assessment Rates, Traffic services, Refuse Collection and removal, Pound Services and Service Charges.

The revenue collection is relatively low as there is limited revenue base. The majority of the population comprise of the indigents. It is a challenge in the payment of the services and the municipality applies debt control measures.

The austerity measures had to be applied to manage cash flow in the municipality.

Without reliable revenue sources the municipality is not financially viable and sustainable.

### 2.1.3. AUDITOR GENERAL REPORT FOR 2017/2018 AND PREVIOUS FINANCIAL YEARS

The auditor general's office audits the municipalities for the period July- June every year in line with their financial cycle. The focus of the audit is always on Statement of financial position, Statement of financial performance, Statement of changes in net assets and cash flow statements, performance information and implementation of policies.

For the financial years 2014/2015, 2015/2016, 2016/2017 and 2017/18 the opinion is thus

| 2014/2015         | 2015/2016         | 2016/2017         | 2017/18           |
|-------------------|-------------------|-------------------|-------------------|
| QUALIFIED OPINION | QUALIFIED OPINION | QUALIFIED OPINION | QUALIFIED OPINION |

The issues raised in the auditor general report are addressed through the development of the Action Plan.

The full report is contained in the Chapter 5 of the Auditor General report.

### 2.1.4. STATUTORY ANNUAL REPORT PROCESS

|    |  |                  |
|----|--|------------------|
| 01 | Consideration of the next financial years IDP/Budget process plan                  | August           |
| 02 | Compilation of the fourth quarter performance report and annual performance report | August           |
| 03 | Compilation of the Annual Financial Statements                                     | August           |
| 04 | Audit Activity by the Office of the Auditor General                                | August- November |
| 05 | Submission of the draft Annual report to council                                   | January          |
|    | Draft Annual report is submitted to COGHSTA and treasury                           | January          |
| 06 | Council publishes the annual report and embark on the public participation         | February- March  |
| 07 | Comments and inputs are consolidated   | February- March  |
| 08 | Oversight report is developed and tabled before council for approval               | March            |
| 09 | Oversight report is submitted to COGHSTA and Treasury                              | April            |

**MACHABA JUNIAS**

**MUNICIPAL MANAGER**

# **CHAPTER TWO: GOVERNANCE**

## **5. CHAPTER TWO: GOVERNANCE**

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The first Council of the municipality consisted of 16 proportionally elected and 16 ward Councilors as determined in the Provincial Notice 15 dated 11 May 2000. The second Council consisted of 18 proportionally elected and 18 Ward Councilors (2006) while the third Council consists of 20 proportionally elected and 21 Ward Councilors, which makes the total of 41 Councilors (2011). Currently after the 2016 municipal elections, the Municipality has 22 Ward Councilors and 22 proportionally elected Councilors, which makes the total of 42 Councilors.

#### **4.2. FULL-TIME COUNCILORS AND MEMBERS OF THE EXECUTIVE COMMITTEE**

The Council has designated the following Councilors in terms of section 18 (4) of Act 117 of 1998 as full time.

The Mayor: Cllr Maseka Pheedi:

The Speaker: Cllr Thamaga M.N

The Chief Whip: Cllr Choshi M.M

Infrastructure Development Chairperson: Cllr Mashalane M.S

Budget and Treasury Chairperson: Cllr Cllr Makobela S.R

Corporate Services: Cllr Morapedi M.A

The following Councilors are the executive committee members and are not full time.

1. Cllr Ntlatla M.W: (Economic Development and Planning)
2. Cllr Rangata M.J :( Community Services)
3. Cllr Makhura M.H :( Special Focus)
4. Cllr Maila M.P (Without Portfolio)



#### 4.3. FULL COUNCIL OF BLOUBERG MUNICIPALITY

| WARD COUNCILORS         | PROPORTIONAL REPRESENTATIVES COUNCILORS |
|-------------------------|---|
| 1. CLLR. SEEMA M.I      | 1. CLLR PHEEDI M.S.                     |
| 2. CLLR. LEHONG M.V     | 2. CLLR THAMAGA M.N                     |
| 3. CLLR. MAIFO M.L      | 3. CLLR CHOSHI M.M                      |
| 4. CLLR. MOKOBODI C.S   | 4. CLLR SELAMOLELA S                    |
| 5. CLLR. MOSHOKOA M.S   | 5. CLLR MATHIDZA S.E                    |
| 6. CLLR. MURATHI M.S    | 6. CLLR MORAPEDI M.A                    |
| 7. CLLR. RASERUTHE M.A  | 7. CLLR MADIBANA S.S                    |
| 8. CLLR. MAKOBELA S.R   | 8. CLLR MAKHURA M.H                     |
| 9. CLLR MOLEMA M.N      | 9. CLLR MASEKWAMENG R.M                 |
| 10. CLLR. SEBETHA M.J   | 10. CLLR MOETJI N.T                     |
| 11. CLLR. MAKGAKGA P.J  | 11. CLLR RANGATA M.J                    |
| 12. CLLR RAMOBA M.R.    | 12. CLLR MAILA MP                       |
| 13. CLLR SEKGOLANE M.J  | 13. CLLR TLOUAMMA NC                    |
| 14. CLLR MOLOKOMME M.M  | 14. CLLR TJUMANA MM                     |
| 15. CLLR. NTLATLA M.W   | 15. CLLR MADZHE A.E                     |
| 16. CLLR MPHAGO M.A     | 16. CLLR MADIOPE TM                     |
| 17. CLLR MOJODO M.D     | 17. CLLR PHOSHOKO NC                    |
| 18. CLLR MODINGWANA M.G | 18. CLLR MABOLOLA SJ                    |
| 19. CLLR SETWABA D.S    | 19. CLLR MORUDU MF                      |
| 20. CLLR MASHALANE M.S  | 20. CLLR CHULA MI                       |
| 21. CLLR MALEKA N.G     | 21. CLLR TEFO LT                        |
| 22. CLLR MAGWAI T.R     | 22. CLLR MADIBANA MR                    |
|                         |   |

## POLITICAL STRUCTURE AND RESPONSIBILITIES

| POSITION                       | RESPONSIBILITIES   |
|--------------------------------|--|
| MAYOR:<br>CLLR PHEEDI MS       | Chairperson of the Executive Committee<br><br>Promote image of Municipality<br>Lead Municipal IDP<br>Promotes Social and Economic Development<br>Convene Public Meetings<br>Promote Inter- Governmental relations<br>Implement Council decisions<br>Performs Ceremonial role |
| SPEAKER:<br>CLLR THAMAGA MARIA | Presides over Council meetings<br>Performs duties and exercises powers delegated to the Speaker in terms of section 59 of MSA<br>Ensures that Council meet Quarterly<br>Maintain orders during the meeting   |
| CHIEF WHIP:<br>CLLR CHOSHI MM  | Political management of Council and Committee meetings<br>Maintains discipline of councilors<br>Advices the Speaker on the amount of time allocated  |

## ADMINISTRATIVE GOVERNANCE

### TOP ADMINISTRATIVE STRUCTURE

| TOP ADMINISTRATIVE STRUCTURE  |
|---|
| <p>1. MUNICIPAL MANAGER<br/>MR MPHEEHE JUNIUS MACHABA APPOINTED</p> <p>2. DIRECTOR, ECONOMIC DEVELOPMENT AND PLANNING<br/>MS CHARITY MAPHOLI APPOINTED</p> <p>3. DIRECTOR, CORPORATE SERVICES<br/>MR MATOME SEKGALA ACTING<br/>MR HERBERT MASIPA- ACTING</p> <p>4. CHIEF FINANCIAL OFFICER( BUDGET AND TREASURY)<br/>MR MOKONYAMA MALESELA FRANS –APPOINTED<br/>MS MALESE ESTHER RIBA- ACTING</p> <p>5. DIRECTOR ,TECHNICAL SERVICES:<br/>MR MAFALA JACOB MALEKA- ACTING<br/>MS HERMINAH RABUMBULU ACTING</p> <p>6. DIRECTOR, COMMUNITY SERVICES.<br/>MR JIMMY MPYA ACTING<br/>MR FANIE RANKU ACTING<br/>MR DOMOLA MOLEA ACTING</p> |
| <p>For the period under view, about eight officials acted on the senior management positions. The above table illustrates the names and the positions for which acting was effected.</p>  |

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **INTRODUCTION TO CO –OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

#### **2.3 INTERGOVERNMENTAL RELATIONS**

##### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The Municipality participates in national intergovernmental structures such as the following:

National municipal manager's forum

South African Local Government Association sessions including working groups.

##### **PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The Municipality participates in the following provincial intergovernmental structures:

- Premier –Mayor's forum(3)
- Monitoring and evaluation forum (4 x per annum)
- Provincial planning forum ( 4 x meetings)
- Provincial municipal manager's forum (4 x meetings)

##### **RELATIONSHIP WITH MUNICIPAL ENTITIES**

**THERE WERE NO MUNICIPAL ENTITIES DURING THE PERIOD UNDER REVIEW:**

##### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

The Municipality Participated In the Following District

IGR structure during the period under review:

- District Speakers Forum
- District Mayors' Forum
- District Chief Whips Forum
- District Municipal Manager's Forum
- District CFOs Forum
- District Planning Forum
- District Monitoring and Evaluation Forum

The existence of the above IGR structures has assisted in the sharing of challenges, best practices and resources mobilization. Alignment of programmes and standardization of activities were also achieved from the district IGR structures.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The municipality has organized its administration in such a way that accountability of its staff is realized and that a system of participatory governance is entrenched. The establishment of a unit to deal with community participation was done during the inception of the municipality. The unit is located in corporate services department various tools of communicating with the community were used in the period under review and the paragraphs supra explain in details the functionality of such tools.

The municipality also used its local IGR structures such as sector forums to ensure sector specific programmes are aligned with those of other roles players in the sector and the following sector forums held four quarterly meetings during the period under view:

- Energy Forum
- Roads and Transport Forum
- Local Economic Development and Tourism
- Housing Forum
- Disaster Management Forum
- Waste Management Forum

## 2.4 PUBLIC MEETINGS

### COMMUNICATION , PARTICIPATION AND FORUM

The Municipality prides itself on its communication and stakeholders. Participation structures. The Municipality has a communication strategy which indicates who communicates to who, when and how. There is a communications unit established and such is located in the Corporate Services Department. The Municipality's Community participation model is one of the best models in the country and through such models, council and its committees are able to reach out to the Municipal constituencies. EXCO and Council meeting are held in public at venues rotated throughout the municipal area. After every EXCO and Council, meeting outreach programme is held. Views and issues raised by community members are recorded and feedback is provided to the members of the community who raised such matters. All twelve EXCO meetings and four council meetings for the period under review were followed by public outreach programme referred to as Imbizo.

The Municipal Website and Facebook are also useful tools, which the municipality employed to communicate with its stakeholders to cover the cyberspace community.

The Municipal Newsletter – Blouberg News – published four quarterly Municipal programmes.

Other forms of communication and public participation during the 2017/2018 financial year include the usage of monthly Ward Public meetings for the 22 wards where in ward Councilors provide feedback and progress report to ward members.

## WARD COMMITTEES

The Municipality has a fully functional ward committee system. All the 22 wards have functioning ward committees with 220 participants translating into 10 ward committee members for the 22 wards

Ward committee held their meetings bi-monthly with the support from Administration, which plays a secretariat role. Resolutions and issues raised at ward committee are escalated to the office of Municipal Manger and then to all relevant departments.

The 14<sup>th</sup> ward committee conference was successfully held at Karibu Lodge during the period under review.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP is reviewed annually and in-house. Council approved the 2017/18 revised IDP/Budget on the 30 May at Langlaagte Satellite office in Ward 5. Like previous IDPs, the 2017/18 IDP was rated high in terms of credibility by the provincial Department of Co-Operative Government, Human Settlements and Traditional Affairs. The IDP is reviewed in line with required standard and template and it is aligned to the budget. The IDP Process Plan is developed and approved by council as the road map for the review of the IDP/Budget. The IDP Steering Committee is responsible for the review of the IDP and Budget. The IDP is aligned to the budget. The draft IDP/Budget is tabled before the council for public participation process to unfold and wards are clustered for the purpose of the community accessibility and inputs. The IDP representative's forum where all stakeholders are represented is also conducted to interrogate the IDP document. The other stakeholders that are consulted are the traditional authorities and farmers unions. Inputs to the IDP are also submitted physically to the office of the Accounting Officer or faxed and emailed through.

All the inputs and comments are consolidated and the report is developed based on the inputs. The process of prioritization takes place into account the available resources and capacity of the Municipality.

| IDP PRITICIPATION AND ALIGNMENT CRITERIA                                       | YES/NO |
|--|--------|
| Does the Municipality have impact, outcome, input, and output indicators?      | Yes    |
| Does the IDP have priorities, objectives, KPIs, development strategies?        | Yes    |
| Does the IDP have multi-year targets?  | Yes    |
| Are the above aligned and can they calculated into a score?                    | Yes    |
| Does the Budget align directly to the KPI's on the 12 outcomes?                | Yes    |
| Were the indicators communicated to the public?                                | Yes    |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes    |

## **COMPONENT D: CORPORATE GOVERNANCE OVERVIEW OF CORPORATE GOVERNANCE**

For the 2017/18 financial year, like the 2016/17, the Blouberg Municipality took leaf from King III report on good Governance by including in its operations the functionality of risk function as well as the development and implementation of corruption and anti – fraud strategies. Risk register was developed and its focus was on strategic risks, operational risks and Human Resources risks.

Through IGR, the Municipality used the District Hotline, Premier and Presidential hotline to track areas of noncompliance to its Corporative Governance matters.

### **RISK MANAGEMENT**

The Municipality regards risks management as one of the pillars requires for the sustainability and Corporative Management. In compliance with the MFMA which S62 (i) © requires a Municipality to have and maintain an effective and transparent system of risk management. Risk assessment sessions were conducted by municipality through risk management unit where the risk are identified, mitigated and monitored. The risk management committee report is presented to the municipal Council on a quarterly basis as required by MFMA.

Top five risks identified are the following:

- Grand dependency
- Mscoa compliance
- Unfavourable audit outcome
- IT infrastructure
- Insufficient land for development

### **FRAUD AND ANTI – CORRUPTION STRATEGY**

The Municipality has an anti – corruption and risk management strategy in place.

The Internal Audit Unit has been established and is led by Manager Internal audit.

The Internal Audit Committee is in place and comprised of four members who have relevant experience and qualifications to discharge their responsibilities. For the period under review the audit committee also performed the role of the performance audit committee. The Audit Committee concluded politicians and officials as voting members performance assessments of top management. The period under review did not have any reported cases of fraud and corruption encountered by the municipality and submitted to authorities.



## 2.7 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

During the 2017/18 financial year the Supply Chain Management, (policy was tabled to council for revision alongside other budget related policies. The revision took into account the BBBEEE codes and changing supply chain regime. For the record, no councilors take part in the supply chain committees. Functionality of SCM committees was also enhanced. New security services contract was entered into for a period of three years. Efforts were made to curb the procurement of services from suppliers who are in the service of the state and the municipal records do not have any indication of services awarded to suppliers in the service of the state.

| BY- LAWS INTRODUCED DURING 2017/18 |         |  |                               |                           |
|------------------------------------|---------|--|-------------------------------|---------------------------|
| Newly Developed                    | Revised | Public Participation conducted prior to adoption of By-Laws (Yes/No) | Dates of Public Participation | By- Laws gazette (Yes/No) |
| N/A                                | N/A     | N/A  | N/A                           | N/A                       |

### 2.10 WEBSITES

|   | YES/NO | DATE PUBLISHED |
|---|--------|----------------|
| Current annual and adjustment budgets and all budget related document.  | YES    |                |
| All current budget related policies   | YES    |                |
| The previous Annual Report (2016/2017)  |        |                |
| The Annual Report ( 2017/2018) published to be published  | YES    |                |
| All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards | YES    |                |
| All service delivery agreements (2017/2018)   | N/A    |                |
| All long term borrowing contracts (2017/2018)   | N/A    |                |
| All supply chain management contracts above a prescribed value (give value) for 2017/2018)                      | N/A    |                |
| An information statement containing a list of assets over a prescribed value that have been                     |        |                |

|   |     |  |
|---|-----|--|
| disposed of in terms of section 14 (2) or (4) during 2017/18  |     |  |
| Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section. |     |  |
| PPP agreements referred to in section 120 made in 2017/2018   |     |  |
| All quarterly reports tabled in the council in terms of section 52 (d) During 2017/2018                             | YES |  |

## **MUNICIPAL WEBSITE CONTENT AND ACCESS**

Most of prescribed key website content materials were placed on the municipal website such as IDP, Budget, Annual Report, Performance Agreements and Budget related policies.

## **PUBLIC SATISFACTION ON MUNICIPAL SERVICES PUBLIC SATISFACTION LEVELS**

No formal public participation surveys were conducted during the period under review. The Municipality relied on public participation sessions referred to above, as well as the usage of the Premier and Presidential Hotlines to gauge the level of satisfaction and / dissatisfaction with municipal services.

There were no changes to issues raised in the previous years' engagements.

Key general areas of dissatisfaction include:

- State of road conditions
- Water and sanitation supply
- Unemployment
- Health and education services

## **COMPONENT A: BASIC SERVICES**

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

### **1. WATER PROVISION**

Blouberg Municipality will not include Water and Sanitation in its 2017/18 Annual Report as such Powers and Functions lie at The Capricorn District Municipality and any attempts to include such information may result in non – alignment with the information provided by the District Municipality.

## **ELECTRICITY**

### **INTRODUCTION TO ELECTRICITY**

Electricity is one of our greatest achievements as we have electrified all settlements within the Municipality. The Municipality is now busy with electrification of extensions

As the electrification programme continues, the Municipality connected approximately 656 households for the 2017/18 financial year through the Integrated National Electrification Programme (INEP) funded from the development of energy from 2017/18.

### **3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)**

#### **WASTE MANAGEMENT**

##### **STATUS QUO**

The Municipality has developed and adopted an Integrated Waste Management Plan (IWMP) in 2008 and reviewed in 2013. The plan serves as a roadmap for the management of solid waste for the entire Municipality with R293 towns and nodal points, plus some rural villages, used as starting points since the capacity available cannot cover the entire municipal wide area. For the 2016\17 financial year the function was rendered in eleven settlements on a weekly basis while the towns of Alldays and Senwabarwana receive the service on a daily basis. Currently there are two landfill sites in Alldays and Senwabarwana. A waste management team is in place and three waste removal trucks, plus a tractor, have been purchased. To augment the waste and environmental section the Municipality enlisted the use of short term EPWP participants and distributed them across areas of high volume waste generation. For the 2016\17 period the number of EPWP participants was increased from 140 to 200 with the budget of R3 million. In Senwabarwana and Alldays two Recycling initiatives were established with PEACE Foundation playing a leading role in assisting with recycling initiatives at an identified location in Senwabarwana.

**THE TABLE BELOW REFLECTS WARD WASTE REMOVAL SERVICE ROLL OUT AND BACKLOGS**

| WARD | AVAILABLE | BACKLOG |
|------|-----------|---------|
| 1    | 0         | 11      |
| 2    | 0         | 7       |
| 3    | 0         | 6       |

|       |                              |     |
|-------|------------------------------|-----|
| 4     | 0                            | 9   |
| 5     | 0                            | 7   |
| 6     | 0                            | 5   |
| 7     | 0                            | 6   |
| 8     | 1                            | 6   |
| 9     | 0                            | 6   |
| 10    | 1                            | 0   |
| 11    | 0                            | 6   |
| 12    | 2. INDERMARK UP TO DIKGOMONG | 0   |
| 13    | 2 (BURGERUGHT AND MOTLANA)   | 5   |
| 14    | 0                            | 7   |
| 15    | 2 (KROMHOEK AND DEVREDE)     | 0   |
| 16    | 0                            | 5   |
| 17    | 2 (GROOTPAN AND LONGDEN)     | 6   |
| 18    | 2 (TAAIBOSCH AND ALLDAYS)    | 0   |
| 19    | 1 (SENWABARWANA)             | 1   |
| 20    | 0                            | 7   |
| 21    | 0                            | 8   |
| TOTAL | 11                           | 112 |

## 20. CHALLENGES

Capacity constraints: this involves lack of resources (financial and human) to roll out the service to the entire municipal area. Available plant and personnel are not enough to render the service for all areas. For the past two financial years, the Municipality could not purchase plant and refuse bins due to budgetary constraints.

The two landfill sites available are not licensed since they don't comply with all legal requirements for a proper landfill site.

Lack of education on the part of members of the community on waste matters does not help the situation. Lot of littering occurs in the town of Senwabarwana around the CBD mainly because much business activities are taking place there.

### **3. INTERVENTIONS**

Blouberg Municipality renders the refuse removal service in 11 settlements with the, households serviced standing at 11 549. The backlog is 24 139. Challenges are funding for roll out of the refuse service to all settlements.

The Environmental Management Plan (EMP) is partially implemented; the Solid waste and refuse removal by laws are not fully implemented due to capacity challenges that are currently being ironed out. Integrated Waste Management Plan is currently under review. The neighbourhood funding from the National Treasury earmarked for urban renewal shall come in handy to address some of the waste management challenges encountered.

The Municipality rolled out the function to eleven settlements with the recruitment of two hundred (200) general workers who were employed from the 2016\17 financial year. The programme was augmented by the integration of EPWP and Community Works Programme. Such general workers were used to clean settlements, roads, cemeteries and any other work identified by members of the community.

### **INTRODUCTION TO HOUSING**

The powers and functions for the provision and construction of housing lies with the provincial government under the Department of Co-operative Governance, Human Settlements and Traditional Affairs. The role of the municipality is to identify housing demands needs through the development of the Housing Chapter and identification of beneficiaries. For the 2017/2018 financial year a total of 700 housing units were approved and successfully implemented within the municipality.

No municipal entity renders the service on behalf of the municipality.

### **3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

#### **INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT**

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 2,700 per month. Council reviews the threshold on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy

#### **COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:**

Indigents shall mean (in terms of municipal policy) residents of Blouberg Local Municipality, who cannot afford to pay for services they receive from the Municipality, the category of people being unemployed, disabled and pensioners who are unable to, pay the full costs of the average Municipal accounts. Conditions for qualification are that support is provided to households earning a joint income of NOT more than R 2,700 per month. Council reviews the threshold on an annual basis, taking into consideration the economic conditions of its citizens in line with the national policy

## INTRODUCTION TO ROADS

The municipality is not responsible for public transport but the Department of Roads, Transport, and Capricorn District municipality have the powers and functions related to roads and transport. There was no road-upgrading project implemented by the Department of Roads and Transport through Roads Agency Limpopo (RAL).

| Department of Public Works, Roads and Infrastructure          |                    |                              |                              |                                |
|---|--------------------|------------------------------|------------------------------|--------------------------------|
| Performance   |                    |                              |                              |                                |
|   | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2013/14   | 786.98km           | 0                            | 0                            | 488.44                         |
| 2014/15   | 786.98km           | 0                            | 0                            | 488.44                         |
| 2015/16   | 786.98km           | 0                            | 0                            | 488.44                         |
| 2016/17   | 786.98km           | 0                            | 0                            | 488.44                         |
| 2017/18   | 786.98km           | 0                            | 0                            | 488.44                         |
| Source : Department of Public Works, Roads and Infrastructure |                    |                              |                              |                                |

## 3.8TRANSPORT (INCLUDINGVEHICLE LICENSING &PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

#### PUBLIC TRANSPORT

There is one mode of public transport in the municipal area viz road transport. The dominant public transport mode is the minibus taxi while another form of public transport is the bus transport with Great North and Mmabi bus being the main operators. The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The movements of these modes of public transport is towards all the nodal points of Blouberg, viz, Alldays, Senwabarwana, Tolwe and Eldorado while outside Blouberg the major destinations are Musina, Louis Trichardt, Lephalale, Steilop and Polokwane.

### STATUS OF TAXI RANK FACILITIES

| LOCATION     | STATUS   | DESTINATIONS  |
|--------------|--|---|
| Senwabarwana | The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities | The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg,                                  |
| Eldorado     | The rank is formal with the following facilities: shelter, loading bays, ablution blocks                         | The rank covers the rest of Blouberg and areas such as Senwabarwana and it connects to Polokwane via Kromhoek taxi rank |
| Kromhoek     | The rank is formal with the following facilities: shelter, loading bays, ablution blocks and hawkers' facilities | The rank covers the rest of Blouberg and destinations such as Polokwane, Johannesburg and Louis Trichardt               |
| Alldays      | The rank is formal with the following facilities: shelter, loading bays, ablution blocks                         | The rank covers the rest of Blouberg and destinations such as Musina and Louis Trichardt                                |
| Windhoek     | The rank is informal   | It covers Senwabarwana, Steilloop   |
| Avon         | The rank is informal   | It covers Senwabarwana, Vivo, Indermark   |
| Buffelshoek  | The rank is informal   | It covers Senwabarwana  |
| Vivo         | The rank is informal   | It covers Senwabarwana, Alldays, Mogwadi and Louis Trichardt  |
| Letswatla    | The rank is informal   | It covers Senwabarwana  |

### 3.5.4.2 PUBLIC TRANSPORT CHALLENGES

The challenge with the municipal public transport is that it is only available between 6H00 in the morning and 20H00 leaving most commuters stranded outside these stipulated times. The other main challenge is the bad state of roads that increases the operation and maintenance costs of public transport operators. Lack of formal taxi ranks with all related amenities in some strategic areas such as Avon, Vivo, Buffelshoek, Windhoek and Harriswich remains a challenge. Disputes over operating routes occasionally occur resulting in conflicts among taxi associations.

### TRANSPORT PLANNING

Right now transport planning is still a function of the district municipality. More information could be found from the District Annual Report.

## **PERFORMANCE OF TRANSPORT OVERALL:**

### **PUBLIC TRANSPORT INTERVENTIONS**

The roads and transport forum has been established and all taxi associations operating within Blouberg are members of the forum. Recent conflicts between Letswatla and Bochum Taxi associations have been resolved through the intervention of the municipality, SAPS and the District Taxi Council. The matter of accessibility of public transport outside the 6H00 and 20H00 time periods has been referred to the operators for rectification. The state of poor road conditions has been highlighted to the MEC for Roads and Transport for intervention. The municipality and the CDM in collaboration with public transport operators will develop a priority list for formalization of taxi ranks. Taxi and bus shelters have been constructed along major routes such as D1200 (Senwabarwana-Windhoek road), Wegdraai to Eldorado road, Letswatla to Windhoek road and D1598 (Kibi to Schiermoonikoog road). The Municipality should explore the introduction of Blouberg Bus as part of the Bus Rapid Transport System as is the case in the City of Joburg and Polokwane Municipalities.

#### **Local integrated Transport Plan**

The plan has been developed and adopted by council on the 31st May 2013. The strategy assists the municipality to provide a proper transport plan for our municipality.

#### **Licensing and registering authority**

The municipality has a Licensing and Registering authority unit at head office Senwabarwana. The process of opening these services at Alldays and Eldorado Satellite Offices was continued in the period under review and culminated in the functioning of the Alldays learners licensing centre while other full licensing services remained unfulfilled.

#### **Law Enforcement unit**

For the period under review, the municipality had a Law Enforcement Unit at head office, Senwabarwana and Alldays Satellite Office, which shares the service with Eldorado Satellite Office.

## **3.10. PLANNING**

### **INTRODUCTION TO PLANNING**

The responsibility of the municipal planning function relates to the following functions: settlement establishment and formalization, processing of land development applications, Approval of land use rights applications such as rezoning, consolidation, subdivisions and consent use applications, implementation of building regulations and enforcement of building By-law.

During the 2014\15 financial year, the following were achieved: pre- approval of Tolwe layout plan and the pre-approval of the surveyor-diagram for the subdivision of the farm Monmouth. A total of 300 low cost houses were constructed and handed over to beneficiaries even though the Limpopo Provincial Government had made an allocation of 500 units to the Blouberg Municipality. Such could not be attained due to supply chain challenges in the Department responsible for housing provision, viz, CoGHSTA but only 300 units were approved and implemented.



Main challenges experienced in the financial year 2017\18 are as follows:- None compliance to Land use policies, building regulations and illegal invasion of land in Senwabarwana and Borkum. Three main Service delivery priorities -: Service delivery and Infrastructure development, LED and spatial Planning. The attraction of investors e.g. Establishment of the third mall in Alldays (Gillfillian).

Measures taken to improve the performance: Improved community engagement/public participation

### **3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)**

#### **INTRODUCTION TO ECONOMIC DEVELOPMENT**

The municipality approved its revised Local Economic Development Strategy for the period under review during the council meeting of the third quarter alongside the approval of the annual report 2017\18. The strategy identifies the key sectors of the Blouberg Economy being retail development, agricultural development, SMME development, manufacturing, tourism development and community based public works. Amongst anchor projects identified in the strategy there is the development of retail centres in nodal points, the exploration of alternative energy sources and agricultural development initiatives.

The period under review witnessed the implementation of the following key service delivery priorities:

Completion of the implementation of Soutpan renewable energy plant at Zuurbult near Vivo

The project involves the harvesting of sunlight to generate green energy. Further, beneficiation of the project to the community will be realized through the development and implementation of the operation's social and labour plan. In the 2017/2018, over 400 local participants benefitted from short-term job opportunities from the project while the employment figures scaled down due to the commissioning of the project.

Implementation of the Venetia mine underground project with a budget of over R16 billion and the resultant work opportunities for the mine's two labour sending areas, viz, Blouberg Municipality and Musina Municipality. The expansion has also resulted in an increased population for the town of Alldays.

Exploration of mineral resources by Ironveld\ HACRA at Harriet's wish, Cracouw and Aurora with strong positive prospects of mining continued. The exploration has yielded positive results, a mining license has been granted, and construction is expected to commence soon. New explorations by Sylvania Platinum and Platinum Group Metals has brought some hope in the people of the municipality in terms of job creation.

The creation of over 1387 job opportunities through Community Works Programme, EPWP, and implementation of municipal capital works programme through labour-intensive methods was maintained. Another community job creation initiative was introduced through the Rakibang Development Forum, which yielded over 600 job opportunities in the EPWP, Health, Environment and Education sector.

Facilitation of the re-establishment and functionality of the Blouberg Business Forum

Place marketing through the development and distribution of the Blouberg Citizens' Report, which covered development and opportunities available in the Municipality over a thirteen-year period since the inception of the BLM in its current form

#### **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

The municipality did not play much role on community and social services such as libraries and archives; museums, arts and galleries; community halls; cemeteries and crematoria; childcare; aged care; social programmes, theatres due to capacity challenges. This statement only excludes cemeteries wherein the municipality coordinates the function in Alldays, Senwabarwana and, to a smaller extent, R293 towns of Witten, Dilaeneng, Puraspan and Indermark.

**3.55 CEMETORIES AND CREMATORIUMS**

The Municipality operated the cemetery function in the two R293 towns of Senwabarwana and Alldays.

**3.56. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

**INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

During the period under review, there were no IDP targets for the provision of Aged Care and Social Programmes. The municipality only played a coordination role with the Department of Health and Social Development, Public Works and Education.

**COMPONENT F: HEALTH**

The p ncial department of Health and Social Development renders the clinics and ambulance services.

**COMPONENT G: SECURITY AND SAFETY**

Law enforcement: there is a law enforcement service within our municipality, which has been decentralized to Alldays Satellite Office, covering both Eldorado and Tolwe satellite offices.

Licensing and Registering Authority: our municipality has this function, which was also decentralized to both Eldorado and Alldays Satellite.

Fire and disaster management services are functions of the district municipality; however, our municipality plays a coordinating with regard to disaster management. A disaster coordinator was employed to that effect.

The licensing of animals is a function of the department of Agriculture; however, our municipality has a pounding function, which deals with the control of stray animals out of the public roads and at unauthorized places.

We have a by-law that deals with the control of public nuisances but it is not implemented duo to capacity constraints.

**THE TABLE BELOW REFLECTS AVAILABILITY AND BACKLOG OF STANDARD SPORTS FACILITIES WITHIN WARDS**

| WARD | AVAILABLE | BACKLOG |
|------|-----------|---------|
| 1    | 0         | 1       |
| 2    | 0         | 1       |
| 3    | 0         | 1       |
| 4    | 0         | 1       |
| 5    | 0         | 1       |
| 6    | 0         | 1       |

|       |                                   |    |
|-------|-----------------------------------|----|
| 7     | 0                                 | 1  |
| 8     | 0                                 | 1  |
| 9     | 0                                 | 1  |
| 10    | 0                                 | 1  |
| 11    | 0                                 | 1  |
| 12    | 0                                 | 1  |
| 13    | 0                                 | 1  |
| 14    | 1 BEN SERAKI                      | 0  |
| 15    | 0                                 | 1  |
| 16    | 1 STANDARD SPORTS FACILITY        | 0  |
| 17    | 0                                 | 1  |
| 18    | 1 ALLDAYS SPORTS COMPLEX          | 0  |
| 19    | 0(SENWABARWANA RECREATIONAL PARK) | 1  |
| 20    | 0                                 | 1  |
| 21    | 0                                 | 1  |
| TOTAL | 3                                 | 18 |

THE TABLE BELOW REFLECTS THE AVAILABILITY AND BACKLOG OF COMMUNITY HALLS WITHIN WARDS

**WARD COMMUNITY HALLS**

| WARD | AVAILABLE | BACKLOG |
|------|-----------|---------|
| 1    | 0         | 1       |
| 2    | 0         | 1       |
| 3    | 0         | 1       |
| 4    | 0         | 1       |

|       |                        |    |
|-------|------------------------|----|
| 5     | 1                      | 0  |
| 6     | 1                      | 0  |
| 7     | 0                      | 1  |
| 8     | 0                      | 1  |
| 9     | 1                      | 0  |
| 10    | 0                      | 1  |
| 11    | 1                      | 0  |
| 12    | 1                      | 0  |
| 13    | 0                      | 1  |
| 14    | 0                      | 1  |
| 15    | 1                      | 0  |
| 16    | 1                      | 0  |
| 17    | 1                      | 0  |
| 18    | 1                      | 0  |
| 19    | 2 (institution-linked) | 0  |
| 20    | 0                      | 1  |
| 21    | 0                      | 1  |
| 22    | 1                      | 0  |
| TOTAL | 11 WARDS               | 12 |

### **5.5.2 CHALLENGES**

The challenge is that sports and recreation facilities available do not have enough facilities such as high mast lights for night games; athletic rubber tracks etc. Another challenge with the amenities is on the available halls, which are not used as multi-purpose community centres but are only used scarcely as normal halls.

### **5.5.3 INTERVENTIONS**

The municipality, together with SAFA and private partners, construct and upgrades sports and recreational facilities annually. SAFA has to construct an artificial soccer facility as part of its 2010 legacy projects. With regard to community halls, the plan is to move away from normal standard halls and build multi-purpose centres.

### **3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)**

#### **INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC**

The municipality has a unit that specifically deals with disaster incidents and the rehabilitation of disaster victims. The unit is working in collaboration with Capricorn District Municipality (CDM). The budget is set aside annually to attend to disaster issues. The District provides its locals with resources and personnel for proper execution of their duties. The municipality has a credible Disaster Management Plan, which gave the municipality areas that need an urgent attention. The municipality held Disaster Management Advisory Forum sitting on quarterly basis to inform communities about performance regarding incidents that occurred under the period review.

#### **COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:**

Disaster management is a district function; however, our municipality plays a coordinating role to this effect. A disaster coordinator has been employed at officer level to assist in coordination of disaster issues between the district municipality and the local communities

#### **INTRODUCTION TO SPORT AND RECREATION**

#### **COMMENT H: SPORT AND RECREATION**

All settlements have access to cemeteries though such are not formalized. There is one standard sports facility at Eldorado while a semi standard sports facility is at Ben Seraki (Buffelshoek). For the 2017\18 financial year the municipality made a provision in its budget for the construction of the Senwabarwana sports complex and Ben Seraki.

The Blouberg area has 11 community halls. There is one Thusong service centre at Eldorado and it hosts the municipal offices, Department of Education, Department of Agriculture, Department of Labour, SAPS and Department of Health.

## **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

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

### **INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.**

The components comprises Secretariat, Auxiliary Services, Human Resources, ICT Services and Communications, The main objective is to provide support and auxiliary services to all departments and the political components of the municipality. Some of the functions include fleet control, Office accommodation, Cleaning Services Effective security Services reliable and efficient telecommunication services, timely and well-collated qualitative documents

### **3.69 EXECUTIVE AND COUNCIL**

This component includes executive office (mayor; councilors; and municipal manager)

#### **INTRODUCTION TO EXECUTIVE AND COUNCIL**

The Components includes The Mayor, Councilors and Municipal Manager, Introduction to executive council Blouberg Local Municipality was established in terms of demarcation notice as NP351 in the Extraordinary Gazette 100 of October 2000. The Municipality is a category B as determined in terms of section 4 of the Local Government Municipal Structures Act No 117 of 1998

It is a Municipality with a collective executive system as contemplated in section 2(a) of northern province Determination of types of municipalities act (4) of 2000 Blouberg Municipality has however and approved delegation system that seeks to decentralize decision making within the institution and improve the pace at which services are delivered to the community . This is intended to maximize administrative and operational efficiency and provide adequate checks and balances for line with the delegation system, some decisions making powers have been cascaded from council to the executive committee, its portfolio committee and full time councilors. Other powers have been delegated to the Municipal Manager

#### **THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:**

The support for councilors' policy is in place and councilors receive support in respect of the various aspects of their daily activities as public representatives, in-house workshops on governance and presentations

### **3.70 FINANCIAL SERVICES**

#### **INTRODUCTION FINANCIAL SERVICES**

The financial services of the municipality are in the Budget and Treasury office, which is responsible for the following Units: 1) Revenue services, 2) Expenditure Management, 3) Supply Chain Management, 4) Budget Management, and Assets Management. For the period under review, SCM and Assets Management were housed in one unit.

Most revenue on the finance department comes from equitable shares, financial management grants and the other sources of revenue, eg interest earned, Rent received, development fund and other sundry income. A full report on financial performance is contained in chapter 5 of this report, which deals with Annual Financial Statements and performance.

### **3.71. HUMAN RESOURCE SERVICES**

#### **INTRODUCTION TO HUMAN RESOURCE SERVICES**

Human Resources Unit is comprises of Human Resources Management, Skills Development, Occupational Health and safety, Employment Equity, Labour Relations, Compensation For Injuries and Diseases, and Employees wellness. The unit priorities includes timely filling of vacancies to support municipal vision and objectives, improving working conditions and skills development. Not all the funded positions for 2017\18 were not filled. All Human Resources committee including the Occupational Health and Safety Committee were established comprising of employees from all levels and work stations and were crucial in helping Management identify and address working conditions that posed threat to the health and safety of employees.

#### **SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES**

i. Human Resources Development – The Workplace Skills Plan (WSP) and Annual Training Report were developed and submitted in April 2015( implementation in the 2017\18 financial year as per the Local Government SETA directives. The municipality has developed training programmes for councilors and employees, bursaries for employees, internships and learner ships as informed by the WSP. There were no bursaries for employees during the year under review while two learners, one enrolled for an MBChB (Medicine) while the other did Urban and Rural Planning as per municipal priorities benefitted from the Mayor's Bursary Fund.an additional learner was enrolled for civil engineering.

ii. Labour Relations and Occupational Health and Safety – The Local Labour Forum was revived and helped in sustaining employer-employee peace while the OHS had a committee established which met its full quota of meetings, which had a positive impact.

Employees Health and Wellness – Employee Wellness Day was held and employees participated in activities that included among other various forms of testing e.g. HIV, High Blood Pressure, Sugar Diabetes etc. and a few presentations were made in respect of employee welfare by different banking institutions, insurance companies etc.

Compensation for Injuries and Diseases – there was no reported injuries on duty during the period under review.

Employment Equity – One aspect that we were found wanting on is the Employment Equity. Though the Employment Equity Committee is in place it could not influence employment/hiring of people from the designated groups.

Organizational Design – Council approved the Organizational Structure.

Compensation and employees benefits – all pension payouts were done within fourteen days of application receipt.

Recruitment, selection and placement – all funded posts were filled.

Condition of Services – all employees employed during the period in issue signed their contracts of employment.

Leave Management – all leaves were captured

#### **COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:**

The Human Resource Division performed relatively well particularly on the aspect of recruitment. All the budgeted positions were filled. Employment Equity is the area where the division was found more wanting with middle management the most glaring. Out of twenty five (25) managers, only four (4) are female and none of those was employed during the period under review. Capacity building was also compromised by the non-functionality of the Training Committee, which managed to hold only one meeting out of a possible four for the financial year. Training programmes were consequently not that well-coordinated. The Employment Equity and Occupational Health and

Safety Committee did relatively well by complying with the schedule of meetings completing their quota though implementation of resolutions taken in those for remain a challenge. The Workplace Skills Plan and Annual Training Report were timeously compiled and submitted and programmes thereof were accordingly followed

### **3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

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

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

Information and Communication Technology is but one area that is cardinal in ensuring that communication lines from within and outside the municipality are maintained. Its major service delivery priorities include i. improvement of citizen participation within the municipality governance; ii. To enable and support technology integration throughout the municipality. To deploy technology for cost effective, responsive service delivery to citizens, business, employees and government. Council and the Executive Committee respectively adopted the IT Governance Framework and a number of policies and plans notably Business Continuity, Electronic Records Management Systems and E-Mail, IT Equipment's and Systems Maintenance Plans. The Corporate Services Portfolio Committee was favoured with compliance monitor reports to track progress in that regard.

#### **PERFORMANCE OF ICT SERVICES OVERALL:**

The Auditor-General also picked up ICT challenges during the 2017\18 audit report. The ICT did not perform well mainly due to want of budget. The Disaster Recovery and Business Continuity Plans could not put to a test due to constraints relating to time and resources. There was also a lack of sufficient environmental control equipment – no fire suppression, water and smoke detectors. Lack of user account management procedures also contributed to the not so great performance. These safety and environmental controls could not be fitted due to lack of funds. Council however, approved IT Governance Framework, IT Monitoring Framework, Operating System Security (Server) Baseline Policy and Environmental Controls Policy



# **CHAPTER 3**

# **2017/18 ANNUAL**

# **PERFORMANCE**

# **REPORT**

### CHAPTER 3: 2017/18 ANNUAL PERFORMANCE REPORT

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## 1. GLOSSARY OF WORDS

2. **SDBIP** : Service Delivery and Budget Implementation Plan
3. **KPA** : Key Performance Area
4. **DKPA** : Departmental Key Performance Area
5. **DKPI** : Departmental Key Performance Indicator
6. **BASELINE** : Current Status
7. **ANNUAL TARGET** : Scope of work in relation to the KPA
8. **SYMBOL #** : Number
9. **QUARTER** : Period of three months
10. **SYMBOL %** : Percentage
11. **SYMBOL h/h** : Households
12. **RoD** : Record of Decisions
13. **C** : Correction

## 2. INTRODUCTION AND LEGISLATIVE BACKGROUND

The Blouberg Municipality 2017\18 Annual performance report highlights the service delivery and developmental achievements, challenges, measures to improve on the performance. The Report has been compiled in terms of legislative provisions; amongst others, these include Municipal Systems Act (MSA) No. 32 of 2000, Municipal Finance Management Act No 56 of 2003, and National Treasury Circulars (circulars 11 and 63). Section 46 of MSA state that a municipality must prepare for each financial year a performance report and further that the said report must form part of the municipality's annual report for each financial year in terms of chapter 12 of the MFMA. This annual performance report is a reflection of the municipality's actual performance in relation to what was planned for in the IDP and SDBIP. It is therefore a post-reflection of planned targets and their actual performance with a provision for reasons for variance as well as mitigating\corrective measures taken. The Annual Performance Report 2017/18 is aligned to the Municipal IDP and Budget for the 2017\18 financial year and that it is further aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

The Annual Performance Report 2017/18 evolved over time. It is a product in year engagements monthly, quarterly, half-yearly and ultimately annually. These reports served at various committees namely management, steering committee, portfolio committees, and Review sessions, Executive Committee, Audit Committee, MPAC and Council

## 3. PURPOSE OF THE ANNUAL INSTITUTIONAL PERFORMANCE REPORT 2017/18

The Annual Performance Report serves the following Purposes:

- The provision of a report on performance in service delivery and budget implementation plan for the 2017\18 financial year
- To promote transparency and accountability for the activities and programmes of the municipality vis-à-vis the six key performance areas
- To provide a record of activities of the municipality for the 2017\18 financial year to which this report relates

## 4. SUMMARY OF PERFORMANCE FOR THE 2017\18 FINANCIAL YEAR.

### 4.1. 2017/18 SDBIP Performance

The table below shows how departments have performed. It further shows that out of 175 overall targets, 155 targets have been achieved and 20 were not achieved. The overall percentage of Municipal targets achieved is 88 % whilst targets not achieved represents 12 %.

| Department  | Total Targets for the Quarter | Total Targets Achieved for the Quarter | Total Targets not Achieved | Overall Percentage of Targets achieved |
|---|-------------------------------|--|----------------------------|--|
| Basic Service and Infrastructure Development                | 20                            | 17                                     | 03                         | 85 %                                   |
| Institutional Transformation and Organisational Development | 45                            | 41                                     | 04                         | 91 %                                   |
| Local Economic Development                                  | 14                            | 13                                     | 11                         | 93 %                                   |
| Financial Viability and Management                          | 32                            | 27                                     | 05                         | 84 %                                   |
| Good Governance and Public Participation                    | 51                            | 49                                     | 04                         | 96 %                                   |
| Spatial Planning and Environment                            | 13                            | 8                                      | 04                         | 62 %                                   |
| <b>Overall Total Municipal Targets</b>                      | <b>175</b>                    | <b>155</b>                             | <b>20</b>                  | <b>88 %</b>                            |

#### 4.2. Comparison of 2017/18 and 2016/17 SDBIP Performance

The table below illustrate comparison of 2017/18 and 2016/17 performance. It indicates a remarkable improvement of 13 % increase from 75 % in 2016/17 to 88 % in 2017/18. The momentum must be carried into 2018/19 financial year.

| Department  | Total Targets |            |  | Total Targets Achieved |            |  | Total Targets not Achieved |           |  | Overall Percentage of Targets achieved | Remarks                 |
|---|---------------|------------|--|------------------------|------------|--|----------------------------|-----------|--|--|-------------------------|
|   | 2017/18       | 2016/17    |  | 2017/18                | 2016/17    |  | 2017/18                    | 2016/17   |  |  |                         |
| Basic Service and Infrastructure Development                | 20            | 46         |  | 17                     | 29         |  | 03                         | 17        |  | 85 %                                   | Improved by 22 %        |
| Institutional Transformation and Organisational Development | 45            | 58         |  | 41                     | 45         |  | 04                         | 13        |  | 91 %                                   | Improved by 13 %        |
| Local Economic Development                                  | 14            | 14         |  | 13                     | 03         |  | 11                         | 03        |  | 93 %                                   | Improved by 15 %        |
| Financial Viability and Management                          | 32            | 27         |  | 27                     | 17         |  | 05                         | 10        |  | 84 %                                   | Improved by 21 %        |
| Good Governance and Public Participation                    | 51            | 72         |  | 49                     | 61         |  | 04                         | 11        |  | 96 %                                   | Improved by 11 %        |
| Spatial Planning and Environment                            | 13            | 12         |  | 8                      | 8          |  | 04                         | 4         |  | 62 %                                   | Regressed by 5 %        |
| <b>Overall Total Municipal Targets</b>                      | <b>175</b>    | <b>229</b> |  | <b>155</b>             | <b>171</b> |  | <b>20</b>                  | <b>58</b> |  | <b>88 %</b>                            | <b>Improved by 13 %</b> |

### 5. Performance of Each External Service Provider

The municipality is compelled in terms section 46 (1) (a) of Municipal Systems Act to prepare for each financial year a performance report reflecting performance of each external service provider during that financial year. Here under follows the performance of each external service provider during the referred to financial year

#### 5.1 PERFORMANCE RATING IN RESPECT OF CONTRACTED SERVICE PROVIDERS DURING 2017/18.

THE ASSESSMENT OF THE PERFORMANCE OF SERVICE PROVIDERS WILL BE+ BASED ON THE FOLLOWING RATING SCALE.

| LEVEL | TERMINOLOGY  | DESCRIPTION   |
|-------|--|---|
| 5     | Excellent/Outstanding Performance                      | Performance far exceeds the standard expected of the service provider at this level. The appraisal indicates that the service provider has achieved above fully effective results against all performance criteria and indicators as specified in the awarded contract.   |
| 4     | Very Good/Performance significantly above expectations | Performance is significantly higher than the standard expected in the job awarded. The appraisal indicates that the service provider has achieved above the fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the period of the contract awarded.  |
| 3     | Good/fully effective                                   | Performance fully meets the standard expected in all areas of the job awarded. The appraisal indicates that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified in the awarded contract.   |
| 2     | Fair /not effective                                    | Performance is below the standard required for the specified job. Performance meets some of the standards expected for the job and the assessment indicates that the service provider has achieved below fully effective results against more than half of the key performance criteria and indicators as specified in the awarded contract.  |
| 1     | Poor /unacceptable                                     | Performance does not meet the standard expected for the job awarded. The assessment indicates that the service provider has achieved below fully effective results against all of the performance criteria and indicators as specified in the awarded contract. Further that the service provider failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. |

| PROJECT NAME  | APPOINTED SERVICE PROVIDERS   | VALUE FOR THE CONTRACT AWARDED | EXPENDITURE TO DATE | ACTUAL PERFORMANCE (COMPLETED OR INCOMPLETED) | REASON FOR NON-COMPLETION | SERVICES PROVIDERS PERFORMANCE (i.e. Poor, fair, good etc.) | COMMENTS AND RECOMMENDATION  |
|---|---|--------------------------------|---------------------|---|---------------------------|---|--|
| Mamehlabe Creche  | Lesangelo JV<br>Baleya Projects   | R 1 971 470.07                 | R 1 971 470.07      | Completed                                     | None                      | Good  | The project was completed on time.   |
| Inveraan Creche   | Civik<br>Construction JV<br>Machaba<br>Mmamoraba<br>Construction                              | R 1 966 373.54                 | R 1 994 902.87      | Completed                                     | None                      | Good  | The project was not completed on time due to community unrest. The application of extension of time by the contractor was approved to revise the completion date.      |
| Puraspan Creche   | Saks Electrical and<br>Construction   | R 1 771 419.35                 | R 1 771 419.35      | Completed                                     | None                      | Good  | The project was completed on time.   |
| Mokhurumela Creche  | Seakapa JV  | R 1 846 554.44                 | R 1 846 554.44      | Completed                                     | None                      | Good  | The project was not completed on time due late supply of materials. The application of extension of time by the contractor was approved to revise the completion date. |
| Construction of Roads (internal street and storm water t) for Senwabarwana P7 & 8       | Nyeleti Consulting Engineers (Turnkey)<br><br>Morula consulting Engineers /October Integrated | R 13,335,500.00                | R 13,249,778.92     | Completed                                     | None                      | Good  | The project was not completed on time due to community unrest. The application of extension of time by the contractor was approved to revise the completion date.      |
| Construction of Roads (internal street and storm water t) for Senwabarwana Indermark P4 | Manes Consulting Engineers /Ngunwa Development  | R 5 662 713.31                 | R 5 662 713.31      | Completed                                     | None                      | Good  | The project was completed on time.   |
| Senwabarwana Sports Complex Phase 2   | Paballo consulting Engineers  | R 6 000 000.00                 | R 6 000 000.00      | Completed                                     | None                      | Good  | The project was completed on time.   |



|   |  |                |                |           |      |      |  |
|---|--|----------------|----------------|-----------|------|------|--|
| Construction of Sports complex for Ben Seraki (Phase 2)   | <b>Morula Consulting/PJM</b>                                       | R 4,494,733.54 | R 4,494,733.54 | Completed | None | Good | The project was not completed on time due to delays from suppliers of materials due to late delivery of materials from the suppliers.  |
| Electrification and Post connection of 411 units for CLUSTER A within: Ward 14 (Addney 20 and Mochemi 20), Ward 03 (Miltonduff 100 and Hlako 25), Ward 19 (Witten ext. 6 246 units)   | NSK Electrical/ Lwa JV<br>Lefhumo Barema Mbenkwa Trading           | R 4 330 173.69 | R 4 330 173.69 | Completed | None | Good | The project was completed on time.   |
| Electrification and Post connection of 285 units for Cluster B within: Ward 13 (The Granche 25) Ward 21 (Mokhunmela 40 and Genoa 20), Ward 16 (Eussoringa 80) Ward 06 (Kgatla ext. 20units) Ward 16 (Makgari ext1 100units) | Optimal engineering solution/ Lephata La Barema JV<br>Zuur Trading | R 2 591 305.50 | R 2 591 305.50 | Completed | None | Good | The project was not completed on time due late appointment of service providers. The application of extension of time by the contractor was approved to revise the completion date |

## 5.2. Comparison of performance of service providers for 2017/18 and 2016/17

The performance of service for 2017/18 has improved as compared to 2016/17. For 2017/18 financial year, ten Service providers were appointed for implementation of capital projects and all of them completed the work and were rated good. In 2016/17 a total of 25 service providers were appointed. Twenty-four completed the work and one failed to complete the work. Seventeen were rated good, seven were rated fair and one rated poor.

## 6. Capital Grant Spending

### 6.1. Capital Grants Spending for 2017/18

The Municipality was allocated R 47 090 000 for MIG and for INEP R 7 000 000 for the financial year 2017/18. The Municipality has managed to improve on capital grants spending. The Municipality has managed to spend 100% for both Municipal Infrastructure grant and Integrated National Energy Programme.

### 6.2. Comparison of Capital Grants spending for 2017/18 and 2016/17

Both MIG and INEP grants were spend 100 % for 2017/18 compared to 2016/17. MIG spending was at 95 % and INEP at 100 % for 2016/17.

| Grant | 2017/18 Allocation | 2016/17 Allocation | 2017/18 Percent Spending | 2016/17 Percent Spending | Comments  |
|-------|--------------------|--------------------|--------------------------|--------------------------|---|
| MIG   | 47 090 000         | R69 209 000        | 100 %                    | 95 %                     | 5 % spending improvement for 2017/18                    |
| INEP  | 7 000 000          | R 9 000 000        | 100 %                    | 100 %                    | Municipality has maintained percentage on INEP spending |

## 7. Operating Revenue Collection

### 7.1. 2017/18 Operating Revenue Collection

The Municipality has managed to collect R 43 598 101 out of R 76 100 152 .52 Operating Revenue budget for 2017/18. This represent 57 % of money collected.

### 7.2. Comparison of 2017/18 and 2016/17 Operating Revenue Collection

| Item                         | 2017/18                  |                           | 2016/17                  |                           | Comments   |
|------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--|
| Operating Revenue Collection | 2017/18 Operating budget | 2017/18 Actual Collection | 2016/17 Operating budget | 2016/17 Actual Collection | 2017/18 operating income collection improved by 2% compared to 2016/17 |
|                              | R 76 100 152.52          | R 43 598 101              | R56 707 000              | 30 959 000                |  |
| Overall Percentage           | 57 %                     |                           | 55%                      |                           |  |

## 8. Performance Challenges and Measures for improvement

Although there is a notable improvement from 2016/17 to 2017/18, there are challenges that needs to be highlighted in order to improve going forward. The table below illustrate some of the challenges and measures for improvement.

| Challenge/s   | Measures for Improvement  |
|---|---|
| High Vacancy rate at Snr Management.  | Timeous filling of vacancies whenever a need arises.  |
| Inadequate collection i.e. electricity collection, property rates and revenue sources | Improve on billing system and collection measures<br>Identification of additional revenue sources |
| Land invasions  | Implement forward planning and proactive land use measures that will alleviate land invasions     |
| Plant breakdown affected  | Timeous system of plant repair to avoid shortage pant   |

### 9. Detailed SDBIP Report 2017/18

| Project  | Description | Strategic Objectives | KPI No | Original KPI/Measurable Objective | Annual Target | Baseline | Actual Annual Performance 2016/17 | Actual Performance 2017/18 | Reason for variance | Corrective Measure | Budget | Expected Portfolio of Evidence | Responsibility |
|--|-------------|----------------------|--------|-----------------------------------|---------------|----------|-----------------------------------|----------------------------|---------------------|--------------------|--------|--------------------------------|----------------|
| KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT |             |                      |        |                                   |               |          |                                   |                            |                     |                    |        |                                |                |

|   |  |  |    |  |   |                           |   |  |     |     |                |  |                              |
|---|--|--|----|--|---|---------------------------|---|--|-----|-----|----------------|--|------------------------------|
| Construction of Roads (internal street and storm water t) for Senwabarwana P7 & 8 Avon P3, Indermark P4 | Development of the specification, and submit to SCM, Advertisment of tendering, Evaluation, Adjudication and appointment of service provider, Service level agreement Project Hand Over, designs and Construction of Internal street, storm water and project handover | Improvement of Roads infrastructure and storm water management | 1. | % construction of internal street and storm water. | 4,4km of internal Streets from gravel to tar surface and storm water channel 30 June 2018 | Phase 6,2 and 3 completed | Targets achieved 5.5 km of internal street tarred | Target Achieved 100 % constructed (4,4 km of internal street tarred) | N/A | N/A | R26,335 500.00 | Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate | Director :Technical services |
|---|--|--|----|--|---|---------------------------|---|--|-----|-----|----------------|--|------------------------------|

|  |   |  |    |   |   |   |  |   |     |     |               |   |                    |
|--|---|--|----|---|---|---|--|---|-----|-----|---------------|---|--------------------|
| Construction of Preschools for Mokhurumela, Puraspan, Mamehlabe and Inveraan village | Development of the specification, and submit to SCM, Advertisement of tendering, Evaluation, Adjudication and appointment of service provider, Service level agreement Project Hand Over, designs Construction of crèche and project handover | To provide safe and sustainable educational facility services      | 2. | % completion on construction of preschools              | Four (4) preschools constructed and available for occupation by 30 June 2018                              | New Indicator                             | Target achieved. Six pre-schools constructed | Target Achieved Four pre-schools constructed                              | N/A | N/A | R8,000,000.00 | Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate, | Technical Services |
| Construction of Sports complex for Senwabarwana and Ben Seraki.                      | Development of the specification, and submit to SCM, Advertisement of tendering, Evaluation, Adjudication and appointment of  | To provide safe and sustainable recreational and social facilities | 3. | % of completed construction work for the Sports Complex | Construction of soccer pitch, Grand stands, change rooms, multi sporting codes Facilities by 30 June 2018 | Phase 1 and 2 Sports complex constructed. | Targets achieved                             | Target Achieved Senwabarwana and Ben Seraki sports complex 100 % upgraded | N/A | N/A | R 10,5m       | Advert, appointment letters, site hand over minutes, Quarterly Progress reports, pictures and Completion Certificate  |                    |





|   |  |   |     |  |   |                            |   |  |                      |                   |   |  |                    |
|---|--|---|-----|--|---|----------------------------|---|--|----------------------|-------------------|---|--|--------------------|
| Installation of Culverts and construction of Wing walls in various villages | Identification of critical areas, assessment, specification, procurement, installation and construction of wing walls.     | To ensure installation of culverts and construction of wing walls in 16 various villages.                                 | 9.  | Number of villages with installed culverts and construction of wing walls. | 16 villages with installed culverts and constructed wing walls. | Maintenance Plan           | Target not achieved   | Target not Achieved<br>01 villages with installed culverts and constructed wing walls. | Shortage of Manpower | Hire more labours | R 2, 200,000. (shared with maintenance of roads budget) | Signed Project Progress Report   | Technical Services |
| Operation and Maintenance of internal Streets                               | Identification of critical areas, assessment, specification, procurement /maintenance of internal streets and storm water. | To ensure proper maintenance of all surfaced and gravel internal streets and access Roads and related storm water control | 10. | Number of KM of internal street graded                                     | 400km internal Street graded                                    | Operation maintenance Plan | Target not achieved   | Target Achieved<br>100% completed.   | N/A                  | N/A               | R2,200,000  | Reports on internal street graded, ward councilor's confirmation letter and Pictures | Technical Services |
|   | Identification of critical areas, assessment, specification, procurement /maintenance of internal streets and storm water. |   | 11. | Number of KM of internal street re-graveled                                | 20km internal street re-graveled                                | Operation maintenance Plan | Target not achieved   | Target Achieved<br>50km internal street re-graveled                                    | N/A                  | N/A               | OPEX  | internal street re-graveled, ward councilor's confirmation letter and Pictures       | Technical Services |
| Implementation of an Integrated Waste Management Plan                       | Development of an action plan and implementation reports.  | To ensure a safe and clean environment by implementing the IWMP   | 12. | Number of reports with regard to implementation of an IWMP.                | 11 monthly reports on the implementation of the IWMP.           | Approved IWMP              | Target achieved.<br>11 monthly reports on the implementation of the IWMP. | Achieved. All Eleven monthly reports were compiled and submitted                       | N/A                  | N/A               | OPEX  | Action Plan and implementation reports.  | Community Services |



|                             |                                  |  |     |  |                                  |                                       |                      |   |     |     |             |   |                    |
|-----------------------------|----------------------------------|--|-----|--|----------------------------------|---------------------------------------|----------------------|---|-----|-----|-------------|---|--------------------|
|                             | Weekly waste collection service. | Number of households with access to waste removal services.      | 13. | 18544 households receiving weekly waste collection                       | Weekly waste collection done.    | Waste collection schedule             | Target achieved      | Achieved. Weekly collection done.                     | N/A | N/A | OPEX        | Collection reports  | Community Services |
|                             | Waste management expansion       | Collection of waste in all households of Machaba and Eldorado.   | 14. | Number of villages provided (extension) with waste management            | Waste expanded to the 4 villages | Waste collected at 14 villages        | Target not achieved  | Achieved. Waste collection extended to other villages | N/A | N/A | OPEX        | Collection reports  | Community Services |
|                             | Management of Landfill sites     | To ensure a proper management of Senwabarwana Land-fill site.    | 15. | Senwabarwana Landfill site operating in line with the required standards | Properly managed landfill site.  | Licensed Senwabarwana Landfill site.  | Target achieved      | Achieved. Operational plan developed and implemented. | N/A | N/A | R 3M        | Available landfill site operational plan and monthly reports    | Community Services |
|                             | Management of a transfer station | To ensure a proper management of the Taabosch Transfer station   | 16. | Taabosch transfer station operating in line with the required standards  | Properly managed sites           | Constructed Taabosch transfer station | Target achieved      | Achieved. Transfer station completed and operational  | N/A | N/A | OPEX        | Available transfer station operational plan and monthly reports | Community Services |
| Purchase of industrial bins | Provision of industrial bins     | To provide industrial bins around Senwabarwana for waste control | 17. | Provision of 10 industrial bins to communities                           | 10 Purchased industrial bins     | 18 industrial bins in place           | Target not achieved. | Achieved. Bins purchased and distributed              | N/A | N/A | R600 000,00 | Delivery note and availability of industrial bins               | Community Services |

|  |   |  |     |   |                                   |  |                 |   |                       |                     |             |  |                     |
|--|---|--|-----|---|-----------------------------------|--|-----------------|---|-----------------------|---------------------|-------------|--|---------------------|
| Maintenance of recreational Parks and Cemeteries | Maintenance of municipal parks and cemeteries | To ensure a safe and clean environment by implementing the Environmental Management Plan (EMP) | 18. | Number of recreational parks maintained             | Two recreational parks maintained | New indicator                                  | Target achieved | <u>Not achieved. Activity could not be done due budgetary constraints</u> | Financial constraints | Deferred to 2018/19 | OPEX        | Photos of a complete and user-friendly municipal park. | Community services. |
|  | Numbering of graves                           | To ensure a safe and clean environment by implementing the Environmental Management Plan (EMP) | 19. | Number of Senwabarwana and Alldays graves numbered. | All Senwabarwana graves numbered. | Available Senwabarwana and Alldays cemeteries. | Target achieved | Achieved. Graves numbered at Senwabarwana and Alldays                     | N/A                   | N/A                 | R 50 000.00 | Photos and register of numbered graves.                | Community services. |
|  | Environmental Education and Awareness         | To educate communities on environmental issues   | 20. | Number of Awareness campaigns conducted.            | 4 awareness campaigns conducted   | Approved Environmental Plan                    | Target achieved | Achieved. Four campaigns conducted  | N/A                   | N/A                 | OPEX        | Minutes and attendance registers.                      | Community Services  |

| Project                          | Project Description  | Strategic Objectives   | KPI No | Original KPI/Measurable Objective  | Annual Target  | Baseline        | Actual Annual Performance  | Actual Performance                              | Reason for variance | Corrective measure | Budget       | Expected Portfolio of evidence                                   | Responsibility             |
|----------------------------------|--|--|--------|--|--|-----------------|--|---|---------------------|--------------------|--------------|--|----------------------------|
| Support for Special Focus groups | Establishment of functional effective special focus groups | To promote the needs and interests of special focus groupings. | 21.    | Number of ward based Men's forum established                               | 22   | New indicator   | Achieved. 22 ward based Men's forum established                                  | Achieved. 22 ward based Men's forum established | N/A                 | N/A                | R 900 000.00 | Reports, Attendance register                                     | Municipal Manager's Office |
|                                  |  |  | 22.    | Number of municipal Men's council established                              | 1  | New indicator   | Achieved. 1 Municipal Men's Council established                                  | Achieved. 1 Municipal Men's Council established | N/A                 | N/A                |              |  |                            |
|                                  |  |  | 23.    | Number of 16 days of activism event against women and children coordinated | 2 events on 16 days of activism against women and children coordinated | Events calendar | Achieved. 2 events on 16 days of activism against women and children coordinated | Achieved. Two events                            | N/A                 | N/A                |              |  |                            |
|                                  |  |  | 24.    | Number of children's day celebrated  | 1 Children's day celebrated.   | Events calendar | Achieved. 1 Children's day celebrated  | Achieved. 1 Children's day celebrated           | N/A                 | N/A                |              | Report on the hosting and celebration of children's day Pictures | Municipal Manager's Office |

|  |  |  |     |   |  |  |   |   |     |     |  |  |
|--|--|--|-----|---|--|--|---|---|-----|-----|--|--|
|  |  |  | 25. | Number of<br>Take a girl<br>child to work<br>campaign<br>coordinated    | One (1)<br>Take a<br>girl child<br>to work<br>campaign<br>coordinated    | New<br>indicator                             | Achieved, One<br>(1) Take a girl<br>child to work<br>campaign<br>coordinated    | Achieved. One<br>(1) Take a girl<br>child to work<br>campaign<br>coordinated    | N/A | N/A | Report<br>,attendance<br>register<br>and<br>pictures                           | Municipa<br>l<br>Manager<br>'s Office    |
|  |  |  | 26. | Number of<br>Take a girl<br>child to<br>work<br>campaign<br>coordinated | One (1)<br>Take a<br>girl child<br>to work<br>campaign<br>coordinated    | New<br>indicator                             | Achieved,<br>One (1) Take<br>a girl child to<br>work<br>campaign<br>coordinated | Achieved.<br>One (1) Take<br>a girl child to<br>work<br>campaign<br>coordinated | N/A | N/A | Report<br>,attendance<br>e register<br>and<br>pictures                         | Municip<br>al<br>Manage<br>r's<br>Office |
|  |  |  | 27. | Number of<br>Special<br>focus fora<br>coordinated<br>and<br>supported   | 20<br>Special<br>fora<br>meetings<br>coordinated<br>and<br>supported.    | Establis<br>hed<br>special<br>focus<br>fora. | Achieved. 20<br>Special fora<br>meetings<br>coordinated<br>and supported.       | Achieved. 20<br>Special fora<br>meetings<br>coordinated                         | N/A | N/A | Minutes,<br>Report<br>Attendance<br>Register<br>and<br>Resolution<br>register. | Municipa<br>l<br>Manager<br>'s Office    |
|  |  |  | 28. | Number of<br>youth<br>commemora<br>tion events                          | 1 youth<br>commem<br>oration<br>event<br>coordinated<br>and<br>supported | Events<br>calenda<br>r                       | Achieved. 1<br>youth<br>commemoratio<br>n event<br>coordinated<br>and supported | Achieved. 1<br>youth<br>commemoratio<br>n event<br>coordinated<br>and supported | N/A | N/A | Report and<br>Attendance<br>register   | Municipa<br>l<br>Manager<br>'s Office    |

|                                |   |  |     |  |   |   |   |   |   |     |                              |                                |                            |
|--------------------------------|---|--|-----|--|---|---|---|---|---|-----|------------------------------|--------------------------------|----------------------------|
| HIV/AIDS DEVELOPMENT PROGRAMME |   |  |     | 29.  | Number of schools visited through Back to school programmes | Schools visited through back to school programme  | Back to school programme                                | Achieved. Schools visited through school programme            | Achieved. Schools were visited through back to school programme | N/A | N/A                          | Reports, Attendance register   | Municipal Manager's Office |
|                                |   |  |     | 30.  | Number of disability and elderly commemoration event        | One(1) disability and elderly commemoration event | Programme   | Achieved. One Elderly and disability commemoration event held | Achieved. One Elderly and disability commemoration event held   | N/A | N/A                          | Report and attendance register | Municipal Manager's Office |
|                                | To reduce the number of HIV/AIDS infections | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting | 31. | Number of Local HIV/AIDS Council meeting coordinated                             | Four (4) Local HIV/AIDS Council meetings held               | HIV/AIDS programme                                | Achieved. Four (4) Local HIV/AIDS Council meetings held | Achieved. Four (4) Local HIV/AIDS Council meetings held       | OPEX  | N/A | Minutes, Attendance Register | Municipal Manager's Office     |                            |
|                                |   |  | 32. | Number of ward Aids Council meetings organized                                   | 88 ward Aids Council meetings organized                     | New indicator                                     | 88 ward Aids Council meetings organized                 | Achieved. 88 ward Aids Council meetings organized             | OPEX  | N/A | Minutes, Attendance Register | Municipal Manager's Office     |                            |
|                                |   |  | 33. | Number of HAST(HIV AND AIDS STI AND TB) awareness campaigns and preventions held | Four (4) HAST awareness campaigns                           | Calendar events                                   | Achieved. Four (4) HAST awareness campaigns             | Achieved. Four (4) HAST awareness campaigns                   | OPEX  | N/A | Report Attendance Register   | Municipal Manager's Office     |                            |

|   |   |  |     |   |  |  |              |  |   |   |      |   |                              |                            |
|---|---|--|-----|---|--|--|--------------|--|---|---|------|---|------------------------------|----------------------------|
|   |   |  |     | 34.   | Number of CBO meetings coordinated   | Four (4) CBO meetings coordinated  | CBO database | Achieved. Four (4) CBO meetings coordinated  | Achieved. Four (4) CBO meetings coordinated | N/A   | N/A  | OPEX                                    | Minutes, Attendance Register | Municipal Manager's Office |
| Organizational Design and Human Resource capacity | Filling of section 57 managers vacant posts | To ensure compliance on appointment of vacant section 57 managers posts. | 35. | Number of vacant section 57 managers posts filled within 3 months | Four (4) reports developed on Appointment of section 57 managers for vacant posts in line with Regulation on appointment and conditions of employment of senior managers | Local Government Regulation on Appointment and Conditions of Employment of senior managers | Achieved.    | <u>Not achieved</u><br><u>Three Snr manager positions have been filled and One outstanding</u> | Panel did not find a Suitable candidate     | The position has been re-advertised and it will during First Quarter in 2018/19 | OPEX | Council resolution, appointment letters | Municipal Manager            |                            |

|                        |   |   |     |  |   |                                |               |  |     |     |              |                             |                            |
|------------------------|---|---|-----|--|---|--------------------------------|---------------|--|-----|-----|--------------|-----------------------------|----------------------------|
| Performance Management | Development of draft performance agreements, Engage relevant senior managers, Submit the final Performance of senior managers to municipal manager for signing and for municipal manager to the mayor for signing and submit the performance agreement to the MEC for department of Cooperative Governance Human Settlement and Traditional Affairs | To ensure compliance with Municipal systems Act | 36. | Signing of performance plans and agreements by all section 57 managers for the new financial year and individual performance assessments | Six (6) senior managers including Accounting officer with signed performance plans and agreements | PMS policy framework           | Achieved.     | Achieved. Only MM and Director ED & Planning have signed | N/A | N/A | R 179 000.00 | Signed employment contracts | Municipal manager          |
|                        |   |   | 37. | Number of none section 57 employees with signed performance plans  | Approval of PMS Cascading process plan  | PMS Policy framework available | Not Achieved. | Achieved PMS cascading plan has been developed.          | N/A | N/A | OPEX         | Cascading Process Plan      | Municipal Manager's Office |

|                            |   |   |     |  |  |                             |  |   |     |     |              |   |                    |
|----------------------------|---|---|-----|--|--|-----------------------------|--|---|-----|-----|--------------|---|--------------------|
| Human Resource Development | Disseminate the strategy to relevant stakeholders to solicit inputs, consolidation of the inputs, submission to Executive for council approval and implementation of the strategy                   | To address the retention of skilled personnel, address work place skills gaps and also promote community skills development | 38. | To implement the retention strategy        | Implementation Retention Strategy reviewed | Retention Strategy reviewed | Achieved. Report on implementation of Retention strategy | Achieved. Strategy reviewed and implemented | N/A | N/A | OPEX         | Retention strategy document and Council resolution for approval | Corporate Services |
|                            | Distribution of Skills Audit Form to employees for completion, Consolidate the form and submit to training committee, Training committee approve, submit to MM for signing off and submit to LGSETA |   | 39. | Number of employees and councilors trained | 98 employees and councilors trained        | Work skills plan            | Target achieved  | Achieved. Employees and councilors trained. | N/A | N/A | R 750 000.00 | Training Report   | Corporate Services |



|  |   |     |  |   |                               |   |   |     |     |      |  |                    |
|--|---|-----|--|---|-------------------------------|---|---|-----|-----|------|--|--------------------|
|  | Development of WSP, Present it to LLF, Present it to management and submit it to LGSETA                 | 40. | To develop WSP and submit to LGSETA  | 1 work skills plan developed and submitted to LGSETA by 30 April 2018 | 2018/19 WSP in place          | Achieved. 1 WSP developed and submitted to LGSETA | Achieved. WSP developed and sent to LGSETA. | N/A | N/A | OPEX | Approved WSP Document and Acknowledgement of receipt by the LGSETA | Corporate Services |
|  | Development of WSP annual report, Present it to LLF, Present it to management and submit it to LGSETA   | 41. | To submit 2016/17 WSP Annual report to LGSETA  | 1 WSP Annual Report submitted to LGSETA by the 30 April 2018          | WSP annual report for 2015/16 | Achieved. Develop and Submit WSP report to LGSETA | Achieved. AR submitted to LGSETA.           | N/A | N/A | OPEX | WSP Report and Acknowledgement of receipt                          | Corporate Services |
|  | Notify councilors when there is learner ship programme, Learners apply, selection of learners and train | 42. | Number of External stakeholders capacitated through learner ships and internships programmes | 600 Learners Recruited.   | Leadership programme          | Target not achieved.                              | Achieved. 600 learners recruited            | N/A | N/A | OPEX | Reports Names of beneficiaries                                     | Corporate Services |

| Purchase of furniture  | Spending budget on purchasing furniture                                  | To purchase furniture for the offices  | 43. | % budget spent on purchase of furniture   | 100% | 100%  | Achieved 100% budget spend                                    | Achieved   | N/A                       | N/A  | R580 000     | Proof of purchase Section 71 report                       | Corporate Services         |
|------------------------|--|--|-----|---|------|---|---|--|---------------------------|--|--------------|---|----------------------------|
| Employee Wellness      | Organize and present Employee Assistance campaigns for all staff members | To promote Employee Wellness and manage Injuries on duty (IOD)   | 44. | Number of Medical Surveillance and wellness campaigns                                     | 2    | 2 medical surveillance and 2 campaigns              | Target Achieved. 2 medical surveillance and 2 campaigns       | Target not achieved. Budgetary constraints.                      | Due to budget constraints | It will be done during the 1st Qtr 2018/19 | R 100 000.00 | Surveillance report Invitation/Notice Attendance register | Corporate Services         |
| Sports Council support | Coordination of sports programs  | To enable sport council to function properly in identification of talents, facilitate workshops, host tournaments and competitions | 45. | Number of Sports council meetings coordinated and supported                               | 4    | 4 Sports council meetings coordinated and supported | Achieved. 4 Sports council meetings coordinated and supported | Achieved. Four Sports council meetings coordinated and supported | N/A                       | N/A  | R 600 000.00 | Reports   | Municipal Manager's Office |
|                        | Mayor's tournament coordination  | Promote excellence and high performance in sport   | 46. | To identify best players in all participating sporting codes                              | 1    | 1   | Achieved. One tournament hosted                               | Achieved. Mayor's Tournament held.                               | N/A                       | N/A  |              | Reports   | Municipal Manager's Office |
|                        | Mayor's Marathon coordination  | Promote good health and excellence in athletics  | 47. | To identify number of athletes to compete at provincial, national and international level | 1    | 1 marathon  | Achieved. One Mayor's marathon hosted                         | Not achieved.  | Insufficient budget       | Marathon will be hosted in 2018            |              | Report & Attendance registers                             | Municipal Manager's Office |

|   |   |   |     |   |   |   |   |   |                       |                     |              |   |                               |
|---|---|---|-----|---|---|---|---|---|-----------------------|---------------------|--------------|---|-------------------------------|
| Sports coordination for employees                 | Organize sports activities for employees for healthy lifestyle. | Employees on healthy life style   | 48. | Coordination and Support to Municipal Sports programmes district, provincial and SAMSA. | 12 of sports days organized and Municipal programme supported | Sports Development plan   | Achieved. 12 of sports days organized and Municipal programme supported | Achieved. 12 of sports days organized and Municipal programme supported | N/A                   | N/A                 | R 786 520.00 | Report and Attendance Register  | Corporate services department |
| IT Backup Systems                                 |   | Renewal of backup system  | 49. | Number of IT backup system report produced  | 12 reports per annum  | New indicator   | Achieved. 12 reports per quarter  | Achieved  | N/A                   | N/A                 | R300,000     | IT Backup System Quarterly reports  | Corporate Services department |
| Vehicle Purchase                                  | Purchasing of municipal fleet including plant                   | To purchase vehicles and plant  | 50. | To purchase municipal vehicles and plant  | Purchase 4x pick up vans and 2x sedans                        | Municipal vehicle   | Target not Achieved.  | Achieved. Purchase 4x pick up vans and 2x sedans                        | N/A                   | N/A                 | R5,200,000   | Delivery Note and proof of purchase   | Corporate Services department |
| Licensing and registration of vehicles Management | Decentralization of licensing services                          | To ensure that registering authority transactions are provided at Tolwe satellite office. | 51. | Registering Authority services provided at Tolwe satellite office                       | Revenue generated through Registering Authority services.     | Learners license services provided at Satellite offices (Tolwe) | Target not achieved.  | Not achieved  | Financial constraints | Deferred to 2018/19 | OPEX         | Reports on correspondences with the Department of Transport and revenue generated out of RA services. | Community services            |

|                    |  |   |     |  |   |  |  |   |     |     |      |  |                     |
|--------------------|--|---|-----|--|---|--|--|---|-----|-----|------|--|---------------------|
| Traffic Management | Implementation of the licensing service action plan.                 | To ensure the provision of licensing services in an efficient, effective and economical manner. | 52. | To develop action plan for the management of the licensing and registration of vehicles. | 11 monthly reports on the implementation of the licensing plan.   | Approved action plan                     | Achieved. 11 monthly reports on the implementation of the licensing                | Achieved. 11 monthly reports compiled and submitted | N/A | N/A | OPEX | Action Plan and implementation reports.  | Community Services  |
|                    | Improvement of licensing services                                    | Establishment of a drive-through service.   | 53. | Drive-through service provided to customers.   | Fully-fledged drive-through service provided to customers.        | A drive-through office constructed.      | Target not achieved.   | Achieved. Drive through facility operational        | N/A | N/A | OPEX | Reports on correspondences with the Department of Transport and revenue generated out of drive-through services. | Community services. |
|                    | Implementation of the traffic management operational plan.           | To ensure the provision of traffic services in an efficient, effective and economical manner.   | 54. | To develop an operational plan for traffic management.                                   | 11 monthly reports on the implementation of the operational plan. | Approved action plan                     | Target Achieved. 11 monthly reports on the implementation of the operational plan. | Achieved. 11 monthly reports compiled and submitted | N/A | N/A | OPEX | Action Plan and implementation reports.  | Community Services  |
|                    | Development of operational plan, distribute to relevant stakeholders |   | 55. | Number of joint operations conducted.  | 12 Joint operations   | 2017/18 traffic and licensing management | Target Achieved.   | Achieved. 12 joint operations conducted.            | N/A | N/A | OPEX | Attendance registers Reports Pictures  | Community Services  |



|   |  |  |            |  |  |   |   |   |     |     |              |   |                            |
|---|--|--|------------|--|--|---|---|---|-----|-----|--------------|---|----------------------------|
| <b>Facilities Maintenance</b>                 | Development of a facilities management plan  | To ensure the development of a facilities management plan.   | <b>61.</b> | Facilities management plan developed.                              | Approved facilities management plan  | Municipal facilities  | Achieved.   | Achieved  | N/A | N/A | R 300 000.00 | Final approved plan.  | Community services.        |
|   | Coordinate performance assessment session as per PMS policy framework  | To ensure individual performance assessment for employees is coordinated as per PMS policy framework | <b>62.</b> | Number of performance assessment session coordinated and supported | 02 performance assessment sessions coordinated and supported (Mid-year and Annual performance session) | Section 57 Performance assessment session conducted in previous years | Achieved. Performance assessment sessions coordinated and supported (Mid-year 2017/18 and Annual performance session 2016/17) | Achieved. Annual Performance Assessment 2016/17 and Mid-year Assessment session conducted | N/A | N/A | R1 63 000.00 | Assessment reports, minutes of performance assessment session, attendance register. | Municipal Manager's office |
| <b>Coordination of Back to Basics program</b> | Facilitate coordination of B2B.  | To ensure full compliance to COGTA initiative.   | <b>63.</b> | Number of reports compiled and submitted to CoGTA                  | 12 Reports submitted   | New indicator   | Achieved. 12 Reports submitted  | Achieved. B2B reports generated and submitted   | N/A | N/A | OPEX         | Monthly reports submitted, acknowledgment receipt                                   | Municipal Manager's Office |
| <b>Institutional Management meetings</b>      | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, | To hold management meetings for proper planning and monitoring.                                      | <b>64.</b> | Number of management meetings held                                 | 24 (1 bi-weekly)   | Year plan developed   | 24 (1 bi-weekly)  | Achieved. 24 (1 bi-weekly)  | N/A | N/A | OPEX         | Schedule of meetings Minutes/Report Attendance registers Resolution register        | Municipal Manager's Office |



| Project  | Project Description | Strategic Objectives   | KPI No | Original KPI/Measurable Objective  | Original Annual Target  | Baseline  | Actual Annual Performance 2016/17     | Actual Performance 2017/18  | Reason for variance   | Corrective measure   | Budget        | Expected Portfolio of Evidence | Responsibility                    |
|--|---------------------|--|--------|--|---|---|---------------------------------------|---|---|--|---------------|--------------------------------|-----------------------------------|
| <b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>             |                     |  |        |  |   |   |                                       |   |   |  |               |                                |                                   |
| Support to LED projects                              |                     | To grow the municipal economy and create a conducive environment for job creation and enterprise development | 67.    | Number of LED projects supported and sustained   | 04 supported LED projects                                       | LED projects in place   | Not achieved                          | NOT Achieved. Three projects supported financially except one project | Budget. Quotation for items needed required more funds than the budget could cover. | 4 <sup>th</sup> project to be funded in the financial year 2018/19 | R 500,000.00  | Project & monitoring reports   | Economic Development and Planning |
| Municipal EPWP and Municipal Capital Works Programme |                     |  | 68.    | Number of Job opportunities Created and sustained through municipal EPWP by June 2017/18 | 200 jobs created and sustained through EPWP project.            | 200 EPWP job opportunities created in the 2017/18 FY            | Achieved 200 appointed EPWP sustained | Achieved. 200 EPWP job opportunities created                          | N/A   | N/A  | R3,000,000.00 | Register of beneficiaries      | Community services                |
|  |                     |  | 69.    | Number of Job opportunities Created and sustained through Alien Plant project.           | 25 jobs created and sustained through EPWP Alien Plant project. | 25 Alien Plant EPWP job opportunities created in the 2017/18 FY | Achieved.                             | Achieved. 29 EPWP Alien plants job opportunities created              | N/A   | N/A  | R1,200,000.00 | Register of beneficiaries      | Community services                |



| Project   | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective  | Original Annual Target   | Baseline   | Actual Annual Performance 2016/17  | Actual Performance 2017/18                                  | Reason for variance | Corrective measure | Budget      | Expected Portfolio of Evidence  | Responsibility                    |
|---|--|----------------------|--------|--|--|--|--|---|---------------------|--------------------|-------------|---|-----------------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT                     |  |                      |        |  |  |  |  |   |                     |                    |             |   |                                   |
| Blouberg RRR  | To create jobs and clean the environment through the usage of cooperatives |                      | 70.    | Number of Job opportunities Created and sustained through Senwabarwana Waste project.                          | 29 jobs created and sustained through EPWP Senwabarwana Waste project. | 29 Senwabarwana Waste EPWP job opportunities created in the 2017/18 FY   | Achieved. 29 jobs created and sustained through EPWP Senwabarwana Waste project. | Achieved. 29 job opportunities created through EPWP (waste) | N/A                 | N/A                | R350,000.00 | Register of beneficiaries   | Community services                |
|   |  |                      | 71.    | Number of Jobs Created and sustained through Implementation of Municipal Capital works programme by June 2018. | 320 short term jobs created through Municipal Capital works programme  | The municipality would be creating 360 new jobs from 1 capital projects each with a minimum of 20 short-term jobs. | Achieved. 320 short term jobs created through Municipal Capital works programme  | Achieved  | N/A                 | N/A                | OPEX        |   | Economic Development and Planning |
|   |  |                      | 72.    | Number of cooperatives established   | 3 Cooperative established with 05 members                              | Integrated Waste Management Plan   | Achieved.  | Achieved. Three cooperative established                     | N/A                 | N/A                | OPEX        | Cooperative certificate and proof of meetings or workshops            | Community services                |
| Development of Blouberg Growth Strategy (Vision 2040) | To develop growth and development strategy                                 |                      | 73.    | Number of growth and development strategy developed and approved   | 01 approved strategy   | New indicator  | Not achieved   | Achieved  | N/A                 | N/A                | R500 000.00 | Minutes of the PSC Appointment letter of the service provider, signed | Economic Development and Planning |

| Project   | Project Description   | Strategic Objectives | KPI No | Original KPI/Measurable Objective                             | Original Annual Target                                      | Baseline  | Actual Annual Performance 2016/17                                    | Actual Performance 2017/18 | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence                          | Responsibility                    |
|---|---|----------------------|--------|---|---|---|--|----------------------------|---------------------|--------------------|--------|---|-----------------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT                                   |   |                      |        |   |   |   |  |                            |                     |                    |        |   |                                   |
| Coordination of job creation through CWP (community work programme) | To coordinates, job creation through the funded CWP, as well as activities and programmes of CWP. |                      | 74.    | Number of Reports on the coordination of CWP                  | 4 reports   | Programme in place with 967 (both participants and support staff) | Achieved.  | Achieved                   | N/A                 | N/A                | OPEX   | SLA. In addition, Council resolution. Quarterly Reports | Economic Development and Planning |
|   |   |                      |        |   |   |   |  |                            |                     |                    |        |   |                                   |
| SMME Development  | Provision of capacity building to SMMEs   |                      | 75.    | Number of capacity building workshops and trainings conducted | 4 capacity building sessions targeting 70 individual SMME's | 42 SMME's trained   | Achieved 4 capacity building sessions targeting 70 individual SMME's | Achieved                   | N/A                 | N/A                | OPEX   | Attendance Registers Reports                            | Economic Development and Planning |
| Social and Labour Plan coordination                                 | Report on the implementation of Social Labour Plans of mining houses in Blouberg Municipality.    |                      | 76.    | Number of Reports on the SLP coordinated                      | 04 Reports per annum  | Quarterly meetings with mining houses                             | 04 Reports per annum   | Achieved                   | N/A                 | N/A                | OPEX   | Reports   | Economic Development and Planning |

| Project                               | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective                              | Original Annual Target   | Baseline   | Actual Annual Performance 2016/17  | Actual Performance 2017/18           | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence                                    | Responsibility                    |
|---------------------------------------|--|----------------------|--------|--|--|--|--|--------------------------------------|---------------------|--------------------|--------|---|-----------------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT     |  |                      |        |  |  |  |  |                                      |                     |                    |        |   |                                   |
| Hawkers stalls and hawkers management | Management and regulations of hawkers and municipal hawkers stalls.  |                      | 77.    | Number of reports on management of hawkers and hawkers stalls. | 04 reports (all hawkers in Alldays and Senwabarwana to have permits. | hawkers and hawkers stalls in place Revised informal trading by-law in place | Achieved. 04 reports (all hawkers in Alldays and Senwabarwana to have permits. | Achieved                             | N/A                 | N/A                | OPEX   | Minutes, attendance registers, hawkers data-base and permits list | Economic Development and Planning |
| unemployed persons database           | Capture received application forms, Compiled database report to EXCO and Council for approval, Link with SETAs, government agencies and private sectors for skills development |                      | 78.    | To develop and update data-base of unemployed persons          | 01 database developed and updated quarterly.                         | Blouberg Unemployed Database in place  | Achieved. 01 database developed and updated quarterly.                         | Achieved                             | N/A                 | N/A                | OPEX   | Database Reports  | Economic Development and Planning |
| Tourism development                   | Provision of a fully operational Tourism Information Centre  |                      | 79.    | To operationalize Senwabarwana a Tourism Information Centre    | functional Tourism Information Centre                                | Tourism information Centre in place  | Target not achieved.   | Achieved, Tourism centre functional. | N/A                 | N/A                | OPEX   | Reports and pictures on the functionality of the centre           | Economic Development and Planning |

| Project  | Project Description | Strategic Objectives | KPI No | Original KPI/Measurable Objective  | Original Annual Target | Baseline                                   | Actual Annual Performance 2016/17 | Actual Performance 2017/18 | Reason for variance | Corrective measure | Budget                        | Expected Portfolio of Evidence  | Responsibility                    |
|--|---------------------|----------------------|--------|--|------------------------|--|-----------------------------------|----------------------------|---------------------|--------------------|-------------------------------|---|-----------------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT                |                     |                      |        |  |                        |  |                                   |                            |                     |                    |                               |   |                                   |
| Development of Tourism Composite guide (phase 2) |                     |                      | 80.    | To develop tourism composite guide including route map of tourism attractions. | 02                     | Phase 01 of the Composite guide available. | Not applicable                    | Achieved                   | N/A                 | N/A                | R300,000 (R150k for phase 02) | Appointment of Service provider, minutes, attendance registers, council resolution and signed SLA | Economic Development and Planning |

| Project   | Project Description                            | Strategic Objectives  | KPI No | Original KPI/Measurable Objective | Original Annual Target | Baseline | Actual Annual Performance 2016/17 | Actual Performance 2017/18        | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence | Responsibility |
|---|--|---|--------|-----------------------------------|------------------------|----------|-----------------------------------|-----------------------------------|---------------------|--------------------|--------|--------------------------------|----------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT                               |  |   |        |                                   |                        |          |                                   |                                   |                     |                    |        |                                |                |
| Project   | Project Description                            | Strategic Objectives  | KPI No | KPI/Measurable Objective          | Annual Target          | Baseline | Actual Annual Performance 2016/17 | Actual Annual Performance 2017/18 | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence | Responsibility |
| KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT             |  |   |        |                                   |                        |          |                                   |                                   |                     |                    |        |                                |                |
| Support of Financial Viability and Management structures/forums |  | To effectively and efficiently manage the financial affairs of the municipality |        |                                   |                        |          |                                   |                                   |                     |                    |        |                                |                |
| Financial management and Planning                               | Establishment of IDP/Budget steering committee |   |        |                                   |                        |          |                                   |                                   |                     |                    |        |                                |                |
| Revenue Enhancement strategy.                                   | To collect payment                             |   |        |                                   |                        |          |                                   |                                   |                     |                    |        |                                |                |

|     |  |  |                                 |               |  |   |   |      |                                     |                     |
|-----|--|--|---------------------------------|---------------|--|---|---|------|-------------------------------------|---------------------|
| 81. | Number of Budget Steering Committee meetings                                     | 4 meetings held for the year                   | Process plan                    | Achieved.     | Achieved 4 meetings held for the year          | N/A   | N/A   | OPEX | Minutes, Report Attendance Register | Budget and Treasury |
| 82. | To appoint members of budget/IDP steering committee in line with the regulations | 1 budget steering committee appointed          | 1 Budget/IDP steering committee | Achieved      | Achieved 1 budget steering committee appointed | N/A   | N/A   | OPEX | Appointment letters                 | Budget and Treasury |
| 83. | Collection of revenue from electricity sales as budgeted                         | R26 000 of electricity revenue collected       | R Collected                     | Not achieved. | Not achieved                                   | Non-payment by CDM and illegal connections        | Invoices were submitted not settled. Municipal Manager to intervene                   | OPEX | Section 71 report(c1 schedule)      | Budget and Treasury |
| 84. | Collection of revenue from property rates as budgeted                            | R24 462 882 amount of property rates collected | R Collected                     | Not achieved  | Not achieved                                   | Non-payment by Rural Development, National Public | Registration of gov't properties in deeds office. Revision of rates budget due to the | OPEX | Section 71 report(c1 schedule)      | Budget and Treasury |

| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective                                    | Original Annual Target  | Baseline   | Actual Annual Performance 2016/17   | Actual Performance 2017/18 | Reason for variance          | Corrective measure  | Budget | Expected Portfolio of Evidence | Responsibility      |
|-----------------------------------|--|----------------------|--------|--|---|--|---|----------------------------|------------------------------|---|--------|--------------------------------|---------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |  |   |  |   |                            |                              |   |        |                                |                     |
|                                   |  |                      |        |  |   |  |   |                            | Works and residents          | amendments to MPRA  |        |                                |                     |
|                                   |  |                      | 85.    | Collection of revenue from Rental of facilities as budgeted          | R 300 000 amount of rental income collected                             | R Collected  | Achieved.   | Achieved                   | N/A                          | N/A   | OPEX   | Section 71 Report              | Budget and Treasury |
|                                   |  |                      | 86.    | Collection of revenue from other sources                             | R19.9 million amount collected from other revenue sources               | R Collected  | Not achieved.   | Not achieved               | Sale of site Traffic Revenue | Amount collected from Tolwe sites is 115k, Other pieces of land to be sold in 18/19 financial year. | OPEX   | Section 71 Report              | Budget and Treasury |
|                                   |  |                      | 87.    | Meeting with ratepayers forum/associations                           | Two Meeting held with Ratepayers associations                           | None   | Achieved.   | Achieved                   | N/A                          | N/A   | OPEX   | Attendance register            | Budget and Treasury |
| Expenditure Management            | Timeous payment of salaries, statutory deductions and allowances |                      | 88.    | Pay salaries, statutory deductions (3 <sup>rd</sup> parties) on time | 12 Payment of salaries, third parties and councilors allowances on time | 12 payment of salaries, third parties and councilors on time | Achieved. 12 Payment of salaries, third parties and councilors allowances on time | Achieved                   | N/A                          | N/A   | OPEX   | Salaries Report                | Budget and Treasury |

| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective                        | Original Annual Target  | Baseline  | Actual Annual Performance 2016/17   | Actual Performance 2017/18 | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence              | Responsible                |
|-----------------------------------|--|----------------------|--------|--|---|---|---|----------------------------|---------------------|--------------------|--------|---|----------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |  |   |   |   |                            |                     |                    |        |   |                            |
|                                   | Submission of statutory EMP 501 to SARS within timeframe       |                      | 89.    | Submission of EMP 501 return to SARS                     | 2 EMP501 submitted to SARS on 30 <sup>th</sup> October 2017 and 31 <sup>st</sup> May respectively | 2 EMP501 submitted to SARS                            | 2 EMP501 submitted to SARS on 30 <sup>th</sup> October 2017 and 31 <sup>st</sup> May respectively | Achieved                   | N/A                 | N/A                | OPEX   | EMP 501 Return                              | Budget and Treasury        |
|                                   | Develop and Update Fruitless and wasteful expenditure register |                      | 90.    | 1 fruitless and wasteful expenditure register updated    | 1 fruitless and wasteful expenditure register updated   | 1 fruitless and wasteful expenditure register updated | 1 fruitless and wasteful expenditure register updated   | Achieved                   | N/A                 | N/A                | OPEX   | Fruitless and wasteful expenditure register | Budget and Treasury        |
|                                   | Timeous payment of creditors                                   |                      | 91.    | %Payment of creditors on time                            | 100% payment of creditors within 30 days of receipt of invoice                                    | 98% payment of creditors paid within 30 days          | 100% payment of creditors within 30 days of receipt of invoice                                    | Achieved                   | N/A                 | N/A                | OPEX   | Invoice register                            | Budget and Treasury Office |
|                                   | Development and updated Retention Register                     |                      | 92.    | Number retention register developed and updated          | 1 retention register developed and updated  | 1 Retention register developed and updated            | 1 Retention register developed and updated  | Achieved                   | N/A                 | N/A                | OPEX   | Retention Register                          | Budget and Treasury        |
|                                   | VAT 201 submitted within legislated timeframes                 |                      | 93.    | Number VAT returns submitted within legislated timeframe | 12 VAT returns submitted on monthly   | 12 VAT returns submitted on time                      | 12 VAT returns submitted on monthly   | Achieved                   | N/A                 | N/A                | OPEX   | Proof of VAT 201 Submitted                  | Budget and treasury        |

| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective      | Original Annual Target                      | Baseline                                 | Actual Annual Performance 2016/17        | Actual Performance 2017/18            | Reason for variance | Corrective measure | Budget      | Expected Portfolio of Evidence            | Responsibility           |
|-----------------------------------|--|----------------------|--------|--|---|--|--|---------------------------------------|---------------------|--------------------|-------------|---|--------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |  |   |  |  |                                       |                     |                    |             |   |                          |
|                                   | Capture spending FMG project. Compile spending report in terms of section 71 report.         |                      | 94.    | % of FMG by 30 June 2018               | 100%100% (Total budget spent)               | FMG total budget allocated               | 100%100%(Total budget spent)             | Achieved                              | N/A                 | N/A                | R 2,433,000 | FMG Report submitted to National Treasury | Budget and Treasury      |
|                                   | Capture spending on capital project. Compile spending reports in terms of section 71 report. |                      | 95.    | % capital budget spent by 30 June 2018 | Projected capital expenditure budget spends | 100% Capital expenditure spends          | 100 % capital expenditure                | Achieved                              | N/A                 | N/A                | OPEX        | Quarterly Financial Report                | Budget and Treasury      |
|                                   | Capture spending on MIG project. Compile spending report in term of section 71 report.       |                      | 96.    | % of MIG spent by 30 June 2018         | 100% (Total budget spent/ Total budget)     | 83% ( Total budget spent / Total budget) | 95 % ( Total budget spent/ Total budget) | Achieved. 100% spending on MIG        | N/A                 | N/A                | R 4509000   | Quarterly Financial Report on MIG         | Municipal Manager office |
|                                   | Capture spending on INEP project. Compile spending report in terms of                        |                      | 97.    | % INEP Grants spent by 30 June 2018    | 100% ( Total budget spent/ Total budget)    | 100% ( Total budget spent/ Total budget) | 100% INEP Grant spending                 | Achieved. 100% spending on INEP Grant | N/A                 | N/A                | R 7 000000  | Quarterly Financial Report                | Municipal Manager office |



| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective                         | Original Annual Target                                      | Baseline   | Actual Annual Performance 2016/17                  | Actual Performance 2017/18                     | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence         | Responsibility             |
|-----------------------------------|--|----------------------|--------|---|---|--|--|--|---------------------|--------------------|--------|--|----------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |   |   |  |  |  |                     |                    |        |  |                            |
| Assets and Inventory Management   | section 71 report.   |                      |        |   |   |  |  |  |                     |                    |        |  |                            |
|                                   | Develop schedule for asset verification, circulate to all departments and verification of assets |                      | 98.    | Number of assets verifications conducted                  | No of assets verified and recorded to fixed register.       | 2 assets verifications conducted                     | Achieved. 2 assets verifications conducted         | Achieved 2 assets verifications conducted      | N/A                 | N/A                | OPEX   | Asset Verification Report              | Budget and Treasury        |
|                                   | Develop stock taking schedule and do stock counting  |                      | 99.    | Number of stock taking performed per annum                | 11 Monthly stock count conducted                            | 7 Stock count conducted                              | Achieved. 11 Monthly stock count conducted         | Achieved                                       | N/A                 | N/A                | OPEX   | Report                                 | Budget and Treasury        |
|                                   | Preparation and approval of adjustment budget  |                      | 100.   | Adjustment budget approved by Council by 28 February 2018 | Adjustment budget approved by Council                       | Adjustment budget for 2016/17                        | Achieved Adjustment budget approved by Council     | Achieved Adjustment budget approved by Council | N/A                 | N/A                | OPEX   | Council resolution and adjusted budget | Budget and treasury office |
|                                   | Interested on Investment received as budgeted  |                      | 101.   | Interest on investment received as budgeted               | R1 500 000 received as investment income                    | R1 550 077 Received as interest on investment income | Achieved. R1 500 000 received as investment income | Achieved                                       | N/A                 | N/A                | OPEX   | Investment register                    | Budget and Treasury        |
|                                   | Table budget to Council on or before 31 March 2018   |                      | 102.   | To submit draft budget to Council by 31 March 2018        | 1 draft Budget submitted to Council by the 31 <sup>st</sup> | 2017/18 draft Budget in place                        | Achieved 1 draft Budget submitted to Council       | Achieved                                       | N/A                 | N/A                | OPEX   | Council Resolution                     | Budget and Treasury        |

| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective  | Original Annual Target              | Baseline  | Actual Annual Performance 2016/17                  | Actual Performance 2017/18                   | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence  | Responsibility      |
|-----------------------------------|--|----------------------|--------|--|-------------------------------------|---|--|--|---------------------|--------------------|--------|---|---------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |  |                                     |   |  |  |                     |                    |        |   |                     |
|                                   |  |                      |        |  | March 2018                          |   |  |  |                     |                    |        |   |                     |
|                                   | Take the budget for public participation with IDP. Incorporate inputs and submit the final budget for approval                           |                      | 103.   | To submit the final budget to council by 31 May 2018   | Final budget submitted to council   | 2017/18 budget submitted to Council by 31 May 2017                                | Achieved Final budget 2017/18 submitted to council | Achieved                                     | N/A                 | N/A                | OPEX   | Final budget and Council Resolution   | Budget and Treasury |
|                                   | Compile the section 71 report. Submit to treasury within 10 days after month end. Submit to council for approval.                        |                      | 104.   | Number of section 71 report submitted to Treasury within 10 days after the end of the month  | 12 section annual report submission | 12 2016/17 Section 71 report  | Not achieved                                       | Achieved 12 section annual report submission | N/A                 | N/A                | OPEX   | Copy of acknowledgment of receipt by treasuries                             | Budget and Treasury |
|                                   | Compile AFS Process plan, Submit to management for inputs, submit to audit committee, Compile the Annual Financial Statement, and Review |                      | 105.   | To prepare and submit annual financial statements to the Auditor General by 31st August 2017 | Availability of AFS process Plan    | 2015/16 Financial statements submitted to the Auditor General by 31st August 2017 | Achieved   | Achieved                                     | N/A                 | N/A                | OPEX   | Acknowledgment of receipt of annual financial statements by Auditor General | Budget and Treasury |

| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective  | Original Annual Target  | Baseline   | Actual Annual Performance 2016/17   | Actual Performance 2017/18 | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence             | Responsibility      |
|-----------------------------------|--|----------------------|--------|--|---|--|---|----------------------------|---------------------|--------------------|--------|--|---------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |  |   |  |   |                            |                     |                    |        |  |                     |
|                                   | the Annual Financial Statement, present to management, present to audit committee, Submit to AG.   |                      |        |  |   |  |   |                            |                     |                    |        |  |                     |
|                                   | Set date for adjudication committee. Adjudicate tenders within time frame ( 90 days after closure of the tender). Write adjudication report to the Accounting Officer. |                      | 106.   | % of tenders adjudicated within 90 days of closure period (# tenders adjudicated / # of tenders closed and due for adjudication) | 100% ( # tenders adjudicated / # tenders closed and due for adjudication) | 95% of all tenders adjudicated within 90 days for the 2016/17 FY | 100% ( # tenders adjudicated / # tenders closed and due for adjudication) | Achieved                   | N/A                 | N/A                | OPEX   | Monthly Tender Reports                     | Budget and Treasury |
| SCM – Demand Management           | Development and Implementation of Procurement plan   |                      | 107.   | To develop municipal procurement plan by 30 <sup>th</sup> June 2018.   | Procurement plan developed and implemented                                | Procurement Plan developed and submitted in all previous years   | Achieved  | Achieved                   | N/A                 | N/A                | OPEX   | Procurement plan and implementation report | Budget and Treasury |

| Project                           | Project Description  | Strategic Objectives | KPI No | Original KPI/Measurable Objective         | Original Annual Target               | Baseline   | Actual Annual Performance 2016/17       | Actual Performance 2017/18              | Reason for variance | Corrective measure | Budget | Expected Portfolio of Evidence                                      | Responsibility                    |
|-----------------------------------|--|----------------------|--------|---|--------------------------------------|--|---|---|---------------------|--------------------|--------|---|-----------------------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |  |                      |        |   |                                      |  |   |   |                     |                    |        |   |                                   |
| Free basic Services               | Awareness campaign/ide ntification of indigents, issuing of indigent registration forms, and registration an indigent  |                      | 108.   | Number of reports on indigent management  | 2 reports issued on indigents update | 1 Indigent register updated  | 2 reports issued on indigents update    | Achieved                                | N/A                 | N/A                | OPEX   | Indigent register Reports on indigent management                    | Budget and Treasury               |
|                                   | Draft the rates policy disseminate it to other departments for inputs, solicit inputs, present to management submit to council for approval for public participation, present the draft rates policy for public for inputs, submit to council for adoption |                      | 109.   | To revise the rates policy by 31 May 2018 | Approved revised rates policy        | Rates policy annually revised and approved alongside budget related policies | Achieved. Approved revised rates policy | Achieved. Approved revised rates policy | N/A                 | N/A                | OPEX   | final revised rates policy, attendance registers Council resolution | Economic Development and Planning |

| Project                           | Project Description   | Strategic Objectives | KPI No | Original KPI/Measurable Objective   | Original Annual Target   | Baseline  | Actual Annual Performance 2016/17                               | Actual Performance 2017/18 | Reason for variance                                | Corrective measure   | Budget | Expected Portfolio of Evidence                                       | Responsibility      |
|-----------------------------------|---|----------------------|--------|---|--|---|---|----------------------------|--|--|--------|--|---------------------|
| KPA 3: LOCAL ECONOMIC DEVELOPMENT |   |                      |        |   |  |   |   |                            |  |  |        |  |                     |
|                                   | Develop action plan on reducing electricity losses and submit to EXCO approval and implementation |                      | 110.   | % of electricity losses reduced as per regulation                             | 100% of R1,3 m Minimize distribution loss to 5% (R1,3 million) | NEW INDICATOR Distribution loss is currently at 15% | 100% of R1,3 m Minimize distribution loss to 5% (R1,3 million)  | Not Achieved               | Lack of staff to conduct meter audit               | Employ more staff in the next financial year.                    | OPEX   | quarterly financial reports and action plan implementation on report | Technical services  |
|                                   | Implementation of assets Maintenance plan   |                      | 111.   | % implementation of Assets Maintenance Plan (roads, buildings and plant)      | Development of asset plans for the year.                       | Assets Maintenance Plan Developed and Implemented   | 100% Implementation of Assets Maintenance Plan (Reconciliation) | Not Achieved               | Lack budget to develop energy and road master plan | Requested funding from MISA to assist in developing master plans | OPEX   | Asset maintenance plan   | Technical Services  |
|                                   | Collection of information, draft customer database and finalize database                          |                      | 112.   | Number of reports of revised credible customer database developed and updated | 1 revised Credible customer Database developed and updated     | Customer database in place                          | 1 revised Credible customer Database developed and updated      | Achieved                   | N/A  | N/A  | OPEX   | Customer data base   | Budget and Treasury |

| Project  | Project Description                                       | Objectives  | KPI No | KPI/Measurable Objective  | Annual Target   | Baseline                       | Actual Annual Performance 2016/17 | Actual Annual Performance 2017/18                       | Reason for variance | Corrective Measure | Budget | Expected Portfolio of Evidence                         | Responsibility             |
|--|---|---|--------|---|---|--------------------------------|-----------------------------------|---|---------------------|--------------------|--------|--|----------------------------|
| KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION |   |   |        |   |   |                                |                                   |   |                     |                    |        |  |                            |
| Auditing   | Develop risk Internal Plan for approval                   | To provide independent objective assurance and consulting activities of the internal control systems, risk management and governance processes. | 113.   | To develop risk based internal audit plan and submit to Audit Committee for approval. | 1<br>Approve d risk based audit plan by 30 June 2018  | Approved Risk based audit plan | Achieved.                         | Achieved. Plan developed.                               | N/A                 | N/A                | OPEX   | Risk Based Internal Audit Plan & Council resolution    | Municipal Manager's office |
|  | Develop risk audit plan, identify risks and mitigate them | To provide independent objective assurance and consulting activities of the internal control systems, risk management and governance processes. | 114.   | % implementation of risk based internal audit plan                                    | 100% implementation of approved risk based audit plan | Risk based audit plan          | Achieved.                         | Achieved. Plan implemented 100%                         | N/A                 | N/A                | OPEX   | Action Based Internal Audit plan & Implementation plan | Municipal Manager's Office |
| AG Action plan.                                  | Submission of AG action plan to council for approval.     | To improve municipal internal controls and systems  | 115.   | Number of AG action plan approved by council  | 1 Action plan.  | 2016/17 Action plan in place   | Achieved                          | Achieved. AGSA Audit action plan developed and approved | N/A                 | N/A                | OPEX   | Action plan and council resolution                     | Municipal Manager.         |

| Project   | Project Description  | Objectives   | KPI No | KPI/Measurable Objective                             | Annual Target                                    | Baseline  | Actual Annual Performance 2016/17                          | Actual Annual Performance 2017/18                          | Reason for variance                              | Corrective Measure             | Budget     | Expected Portfolio of Evidence | Responsibility             |
|---|--|--|--------|--|--|---|--|--|--|--------------------------------|------------|--------------------------------|----------------------------|
| <b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |  |  |        |  |  |   |  |  |  |                                |            |                                |                            |
|   | Develop Internal Audit Action plan, capture all issues raised by internal audit, attend to issues and report on progress | To address all queries raised by the internal audit    | 116.   | % of internal audit queries resolved.                | 100% Audit queries resolved                      | Internal audit unit in place and annual audit plan annually developed | Not achieved 67 % internal audit queries resolved          | Achieved. 100% internal audit queries resolved             | N/A  | N/A                            | OPEX       | Internal Audit Action          | Municipal Manager's Office |
|   | Develop Audit Action plan, capture all issues raised by external audit, attend to and report on progress                 | To address all queries raised by the external audit    | 117.   | % of Auditor General queries resolved.               | 100%   | Audit Action Plan   | Not achieved 78 % External audit queries resolved          | Not achieved. 96% resolved                                 | One item on Data backup centre still outstanding | It will be resolved in 2018/19 | OPEX       | External Audit Action Plan     | Municipal Manager's Office |
| Audit & Risk Committee allowance                        | Paying allowances to audit & risk committee members  | To ensure that Audit & Risk Committee Members are paid | 118.   | % of payment of Audit & Risk Committee allowances    | 100% payment of Audit & Risk Committee allowance | Schedule of meetings  | Achieved. 100% payment of Audit & Risk Committee allowance | Achieved. 100% payment of Audit & Risk Committee allowance | N/A  | N/A                            | R400000.00 | Expenditure Report             | Municipal Manager's Office |
|   | Risk identification Risk assessment Determining risk response Risk monitoring Risk reporting                             | To protect the municipality from potential risk.       | 119.   | To develop project risk register for risk management | 4  | Risk management Plan  | Achieved. Review and update of risk register               | Achieved. Review and update of risk register               | N/A  | N/A                            | OPEX       | Risk register                  | Municipal Manager's Office |

| Project  | Project Description   | Objectives  | KPI No | KPI/Measurable Objective                                     | Annual Target  | Baseline                 | Actual Annual Performance 2016/17                              | Actual Annual Performance 2017/18          | Reason for variance | Corrective Measure | Budget | Expected Portfolio of Evidence                                    | Responsibility             |
|--|---|---|--------|--|--|--------------------------|--|--|---------------------|--------------------|--------|---|----------------------------|
| KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION |   |   |        |  |  |                          |  |  |                     |                    |        |   |                            |
|  |   | Resolve Risk committee resolutions  | 120.   | Implementation Risk Committee resolutions                    | % risk committee resolutions resolved                | New Indicator            | Not applicable   | Achieved. Risk resolutions implemented     | N/A                 | N/A                | OPEX   | Risk Committee resolution Register                                | Municipal Manager's Office |
|  | Development of schedule of trainings to be presented to management, Risk and Audit Committees, EXCO committee and to Council for approval | To provide independent objective assurance and consulting activities of the internal control system, risk management and governance processes | 121.   | Number of risk awareness campaigns coordinated and supported | 2 Risk awareness campaigns coordinated and supported | Risk Implementation Plan | Achieved. 2 Risk awareness campaigns coordinated and supported | Achieved two awareness campaign conducted  | N/A                 | N/A                | OPEX   | Attendance register / Invitation                                  | Municipal Manager's Office |
|  | Development of schedule of meetings to be presented to management, Risk and Audit Committees, EXCO committee and to Council for approval  |   | 122.   | Number of risk committee meetings coordinated                | 4 risk committee meetings coordinated                | Risk Implementation Plan | Achieved. 4 risk committee meetings coordinated                | Achieved Four Risk Committee meetings held | N/A                 | N/A                | OPEX   | Minutes of the meeting Attendance register Risk Management report | Municipal Manager's Office |



| Project   | Project Description   | Objectives  | KPI No | KPI/Measurable Objective   | Annual Target   | Baseline                                      | Actual Annual Performance 2016/17                                    | Actual Annual Performance 2017/18                 | Reason for variance | Corrective Measure | Budget      | Expected Portfolio of Evidence              | Responsibility             |
|---|---|---|--------|--|---|---|--|---|---------------------|--------------------|-------------|---|----------------------------|
| <b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |   |   |        |  |   |   |  |   |                     |                    |             |   |                            |
| <b>Security Management</b>                              | Attend to incidents and develop reports   | To protect the municipal properties and employees against potential threats.  | 123.   | Number of security management reports compiled and submitted to EXCO and council | 15 security management reports compiled (11 for EXCO and 4 for Council) | Security contracts in place                   | Not applicable   | Achieved. Security reports and submitted          | N/A                 | N/A                | 12,000.00   | Security management reports                 | Municipal Manager's Office |
| <b>Anti-Fraud And Corruption</b>                        | Risk identification<br>Risk assessment<br>Determining risk response<br>Risk monitoring<br>Risk reporting                                  | To ensure reduction and mitigation of risks within the municipality.  | 124.   | To develop risk management register  | 1 Risk register developed by the 30 June 2018                           | Risk Management and Fraud implementation Plan | Achieved.  | Achieved. Risk Register Developed                 | N/A                 | N/A                | OPEX        | Risk register<br>Reports on risk assessment | Municipal Manager's Office |
|   | Development of schedule of trainings to be presented to management, Risk and Audit Committees, EXCO committee and to Council for approval | To provide independent objective assurance and consulting activities of the internal control system, risk management and governance processes | 125.   | Number of fraud and corruption awareness Campaigns Coordinated and Supported     | 2 fraud and corruption awareness Campaigns Coordinated and Supported    | Risk register                                 | 2 fraud and corruption awareness Campaigns Coordinated and Supported | Achieved. Two anti-fraud and corruption conducted | N/A                 | N/A                | R 70 000.00 | Attendance register                         | Municipal Manager's Office |

| Project   | Project Description   | Objectives   | KPI No | KPI/Measurable Objective   | Annual Target                            | Baseline  | Actual Annual Performance 2016/17                          | Actual Annual Performance 2017/18                                  | Reason for variance | Corrective Measure | Budget  | Expected Portfolio of Evidence                              | Responsibility             |
|---|---|--|--------|--|--|---|--|--|---------------------|--------------------|---|---|----------------------------|
| <b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |   |  |        |  |  |   |  |  |                     |                    |   |   |                            |
| Community Participation                                 | To hold Ward public meeting in all the 22 wards (community Report back meetings).   | To improve and encourage participation of stakeholders and communities in the municipal affairs. | 126.   | To Coordinate meetings of stakeholders and communities as per approved schedule of meetings. | 88 ward public meetings for all 22 wards | Schedule of meetings  | Targets achieved. 88 ward public meetings for all 22 wards | Target achieved 88 ward public meetings for all 22 wards           | N/A                 | N/A                | OPEX (part of the community participation vote) | Attendance Registers Schedule of meetings Quarterly Reports | Corporate Services         |
| Complaints management                                   | Develop complaints management register  | To ensure complaints received are resolved.  | 127.   | % of Complaints resolved   | 100% of complaints received resolved     | Customer care register book, suggestion boxes /presidential & premier hotline | Targets achieved. 100% complaints received                 | Target achieved. All complaints attended, suggestion boxes opened. | N/A                 | N/A                | OPEX  | Complaints management register, customer care reports       | Corporate services         |
| IDP review  | Development of IDP Process plan, Analysis phase, Draft IDP/Budget 2018/19 developed and submitted to Council for adoption by 31 March | To review the 2018/19 IDP/Budget that is aligned to the budget                                   | 128.   | To develop Credible IDP/Budget Document  | 1  | Approved Schedule of meetings.  | Achieved.  | Achieved. Draft IDP/Budget 2018/19 developed and approved          | N/A                 | N/A                | R 705 000.00                                    | IDP and , Council resolution                                | Municipal Manager's Office |

| Project  | Project Description   | Objectives  | KPI No | KPI/Measurable Objective  | Annual Target   | Baseline                        | Actual Annual Performance 2016/17                               | Actual Annual Performance 2017/18                                 | Reason for variance | Corrective Measure | Budget        | Expected Portfolio of Evidence                                 | Responsibility             |
|--|---|---|--------|---|---|---------------------------------|---|---|---------------------|--------------------|---------------|--|----------------------------|
| KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION |   |   |        |   |   |                                 |   |   |                     |                    |               |  |                            |
|  | 2018 and Final IDP submitted to Council for approval by end of May 2018   |   |        |   |   |                                 |   |   |                     |                    |               |  |                            |
|  | IDP/Budget 2018/19 Public Participation                                   | To consult communities and stakeholders on the draft revised IDP/Budget                 | 129.   | Public Participation report   | 11 meetings   | IDP/Budget Process plan         | Achieved. 11 meetings   | Achieved. Eleven meetings held                                    | N/A                 | N/A                | OPEX          | Attendance registers and reports                               | Municipal Manager's Office |
| Ward committees sanctioned program               | Provide support for effective and functional ward committees in all wards | To ensure continues support to all ward committees for effectiveness and functionality. | 130.   | Number of ward committees sanctioned meetings coordinated and supported | 132 ward committee meetings coordinated and supported | Schedule of meetings            | Achieved. 132 ward committee meetings coordinated and supported | <u>Target achieved. All meetings held.</u>                        | N/A                 | N/A                | OPEX          | Bi-monthly ward committee Reports, Minutes attendance register | Corporate services         |
| Out of Pockets Expenses                          | Develop payment roll forward committees                                   | To Comply with guidelines on allocation of our pocket expenses for ward committees.     | 131.   | Number of ward committee members paid stipend.                          | 220 ward committee members paid stipend               | 210 ward committees established | Achieved,   | Target achieved. All 220 ward committee members received stipend. | N/A                 | N/A                | R3,459,393.74 | Proof of payment/ payment roll for Ward Committees             | Corporate Services         |

| Project  | Project Description  | Objectives   | KPI No | KPI/Measurable Objective                           | Annual Target  | Baseline                       | Actual Annual Performance 2016/17                 | Actual Annual Performance 2017/18            | Reason for variance     | Corrective Measure                          | Budget       | Expected Portfolio of Evidence                                     | Responsibility     |
|--|--|--|--------|--|--|--------------------------------|---|--|-------------------------|---|--------------|--|--------------------|
| <b>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |  |  |        |  |  |                                |   |  |                         |   |              |  |                    |
| <b>MPAC Program</b>                                    | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting   | To build accountable and transparent governance structures responsive to the need of the community | 132.   | Number of oversight meetings coordinated           | 4 oversight meetings coordinated                                       | Approved Schedule of meetings. | Target achieved. 4 oversight meetings coordinated | Target achieved. All meetings held.          | N/A                     | N/A   | R 300 000.00 | Attendance registers, minutes & Reports, Resolution register       | Corporate Services |
| <b>Mayors Bursary Fund</b>                             | Develop Mayor's Bursary Policy, Issue out advertisement and bursary application forms, Short listing of the applicants and issuing of bursary confirmation letters to successful applicants and Pay institutions and service providers | To provide financial assistance to needy community members   | 133.   | To provide bursary fund to needy community members | Provision of bursaries to the awarded needy members of the communities | Mayor's Bursary Policy         | Target achieved.                                  | Target not achieved. Shortlisting done late. | Shortlisting done late. | To be aligned with Dept Education calendar. | R 742 000.00 | Proof of payment to institutions<br>Reports on progress by bursars | Corporate Services |

| Project   | Project Description  | Objectives  | KPI No | KPI/Measurable Objective  | Annual Target  | Baseline  | Actual Annual Performance 2016/17  | Actual Annual Performance 2017/18                                      | Reason for variance | Corrective Measure | Budget       | Expected Portfolio of Evidence                                 | Responsibility             |
|---|--|---|--------|---|--|---|--|--|---------------------|--------------------|--------------|--|----------------------------|
| <b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |  |   |        |   |  |   |  |  |                     |                    |              |  |                            |
|   | Monitor progress on existing beneficiaries and report                                | To monitor and evaluate progress of existing beneficiaries of mayor' bursary fund | 134.   | Number of quarterly reports of bursary beneficiaries to council               | 4 Reports per developed and submitted to Council   | 3 bursary beneficiaries                         | Achieved. 4 Reports per developed and submitted to Council   | Achieved. Report available.  | N/A                 | N/A                | OPEX         | Quarterly reports  | Corporate services         |
|   | Develop reports to council on fraud and corruption cases investigated                | To minimize corrupt activities  | 135.   | Number of fraud and corruption cases investigated.                            | Four (4) Reports developed   | New indicator                                   | Achieved. Four (4) Reports developed   | Achieved. Reports compiled and submitted                               | N/A                 | N/A                | OPEX         | Fraud and corruption Reports developed and council resolutions | Municipal manager          |
| Arts & Culture  | Develop schedule to relevant stakeholders as per calendar                            | To give Support on Heritage celebrations of all traditional houses                | 136.   | Number of heritage and cluster cultural competition coordinated and supported | Coordination and financial support heritage events by traditional authorities that host the events | Year plan                                       | Coordination and financial support heritage events by traditional authorities that host the events | Achieved. 05 heritage events by traditional authorities were supported | N/A                 | N/A                | R 150 000.00 | Report   | Municipal Manager's Office |
| Council Support   | Development of schedule of meetings, issue to all relevant stakeholders, development | To provide strategic and administrative support to the Mayor, Speaker, and Chief  | 137.   | Number of Council meetings coordinated and supported.                         | Five (5) Ordinary Council meetings coordinated and   | Approved schedule of meetings/ Council Calendar | Achieved.  | Target achieved. Portfolio committees held.                            | N/A                 | N/A                | OPEX         | Attendance Registers Reports/Minutes Notice of the meetings    | Corporate Services         |

| Project   | Project Description   | Objectives                               | KPI No | KPI/Measurable Objective   | Annual Target   | Baseline  | Actual Annual Performance 2016/17                     | Actual Annual Performance 2017/18                               | Reason for variance | Corrective Measure | Budget | Expected Portfolio of Evidence                                  | Responsibility             |
|---|---|--|--------|--|---|---|---|---|---------------------|--------------------|--------|---|----------------------------|
| KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION        |   |  |        |  |   |   |   |   |                     |                    |        |   |                            |
|   | of documentation with invitation for a meeting, distribution, reminders and meeting     | Whip, Councilors and Traditional Leaders |        |  | supported   |   |   |   |                     |                    |        |   |                            |
| In-house Training workshop of councilors                | Train newly elected councilors on council policies and other related matters            |  | 138.   | Number of in-house training workshop for newly elected councilors          | Two (2) in house training workshop for all councilors             | In house training conducted for newly elected councilors in the previous council term | Two (2) in house training workshop for all councilors | Achieved. EXCO meetings held accordingly.                       | N/A                 | N/A                |        | Report on in house training of councilors, attendance register. | Corporate services         |
| Participation of traditional leaders in Council affairs | Involvement of traditional leaders to participate in council affairs                    |  | 139.   | Number of traditional leaders participating in council as approved by MEC. | One (1) traditional leaders participating in all Council sittings | New indicator   | Achieved.   | Achieved.   | N/A                 | N/A                | OPEX   | Minutes of council meetings, Attendance registers               | Corporate services         |
|   | Development of schedule of meetings, issue to all relevant stakeholders, development of |  | 140.   | Number of Mayor/Magoshi meetings coordinated and supported                 | 4 Mayor/Magoshi meetings coordinated and supported                | Approved Schedule of meetings/Council Calendar  | 4 Mayor/Magoshi meetings coordinated and supported    | Achieved. Four Mayor/Magoshi meetings coordinated and supported | N/A                 | N/A                | OPEX   | Attendance Registers Reports/Minutes Notice of the meetings     | Municipal Manager's office |

| Project  | Project Description  | Objectives | KPI No | KPI/Measurable Objective   | Annual Target   | Baseline         | Actual Annual Performance 2016/17                                   | Actual Annual Performance 2017/18                          | Reason for variance | Corrective Measure | Budget | Expected Portfolio of Evidence                              | Responsibility     |
|--|--|------------|--------|--|---|------------------|---|--|---------------------|--------------------|--------|---|--------------------|
| KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION |  |            |        |  |   |                  |   |  |                     |                    |        |   |                    |
| Functional Council committees                    | documentation with invitation for a meeting, distribution, reminders and meeting   |            |        |  |   |                  |   |  |                     |                    |        |   |                    |
|  | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting |            | 141.   | Number of portfolio committee meetings coordinated and supported | 11 portfolio committee meetings coordinated and supported | Council Calendar | Achieved. 09 portfolio committee meetings coordinated and supported | Target achieved. Portfolio committees held.                | N/A                 | N/A                | OPEX   | Attendance Registers Reports/Minutes Notice of the meetings | Corporate Services |
|  | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting |            | 142.   | Number of Executive Committee meetings Coordinated and Supported | 11 executive Committee meetings coordinated and supported | Council Calendar | Achieved. 11 executive Committee meetings coordinated and supported | Achieved. Target achieved. EXCO meetings held accordingly. | N/A                 | N/A                | OPEX   | Attendance Registers Reports/Minutes Notice of the meetings | Corporate Services |
|  | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting |            |        |  |   |                  |   |  |                     |                    |        |   |                    |

| Project  | Project Description  | Objectives   | KPI No | KPI/Measurable Objective                                 | Annual Target                                    | Baseline         | Actual Annual Performance 2016/17                          | Actual Annual Performance 2017/18                             | Reason for variance | Corrective Measure | Budget | Expected Portfolio of Evidence                                   | Responsibility             |
|--|--|--|--------|--|--|------------------|--|---|---------------------|--------------------|--------|--|----------------------------|
| KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION |  |  |        |  |  |                  |  |   |                     |                    |        |  |                            |
|  | reminders and meeting  |  |        |  |  |                  |  |   |                     |                    |        |  |                            |
| Mayoral Public Participation program             | Development of schedule of meetings, issuing notices to all stakeholders, development of reports, and presentation of reports to the public.                             | To engage in programmes that foster participation, interaction and partnership | 143.   | Number of mayoral public participation programmes held   | 4 Mayoral Public participation programmes        | Council calendar | Achieved. 4 Mayoral Public participation programmes        | Achieved 4 Mayoral Public participation programmes            | N/A                 | N/A                | OPEX   | Notice of public participation, Reports and Attendance registers | Corporate Services         |
|  | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting |  | 144.   | Number of MPAC public hearings Coordinated and Supported | 4 MPAC public hearings Coordinated and Supported | MPAC Programme   | Achieved. 4 MPAC public hearings Coordinated and Supported | Achieved. Four MPAC public hearings coordinated and supported | N/A                 | N/A                | OPEX   | Notice of meeting Attendance Register Schedule of meetings       | Municipal Manager's Office |



| Project   | Project Description   | Objectives | KPI No | KPI/Measurable Objective   | Annual Target   | Baseline                      | Actual Annual Performance 2016/17                                       | Actual Annual Performance 2017/18                                 | Reason for variance | Corrective Measure | Budget   | Expected Portfolio of Evidence                                 | Responsibility     |
|---|---|------------|--------|--|---|-------------------------------|---|---|---------------------|--------------------|----------|--|--------------------|
| <b>KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |   |            |        |  |   |                               |   |   |                     |                    |          |  |                    |
|   | Convene all ward committees on a 3 days information sharing session to have resolution to deal with service delivery challenges encountered                               |            | 145.   | Number of induction and Annual ward committees conference coordinated and supported plus | 1 Annual ward committees conference coordinated and supported | Municipal events calendar     | Achieved. 1 Annual ward committees conference coordinated and supported | Achieved. One Ward Committee conference coordinated and supported | N/A                 | N/A                | R600 000 | Agenda, report and conference declaration ,attendance register | Corporate services |
| <b>COUNCIL FORA</b>                                     | Development of schedule of meetings, issue to all relevant stakeholders , development of documentation with invitation for a meeting, distribution, reminders and meeting |            | 146.   | Number of Council fora coordinated and supported   | 28 Council fora coordinated and supported                     | Approved Schedule of meetings | 28 Council fora coordinated and supported                               | Achieved. 28 Council fora   | N/A                 | N/A                | OPEX     | Minutes, Report Attendance Register                            | Community Services |

|                 |  |   |      |  |   |           |  |  |     |     |   |   |                            |
|-----------------|--|---|------|--|---|-----------|--|--|-----|-----|---|---|----------------------------|
| Audit Committee | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting | To strengthen accountability through proactive oversight. | 147. | Number of Audit committee meetings coordinated         | Five (4) Audit committee meetings               | Year Plan | Achieved. Five (4) Audit committee meetings coordinated  | Achieved. Five Audit Committee meetings held             | N/A | N/A | R300,000 for travelling and sitting allowances for external Audit Committee members | Attendance Register Reports/Minutes and Resolution register | Municipal Manager's Office |
|                 | Development of schedule of meetings, issue to all relevant stakeholders, development of documentation with invitation for a meeting, distribution, reminders and meeting |   | 148. | Number of audit steering committee meeting coordinated | 24 audit steering committee meeting coordinated | Year Plan | Achieved 24 audit steering committee meeting coordinated | Achieved 24 audit steering committee meeting coordinated | N/A | N/A | OPEX  | Attendance Register Reports/Minutes Invitation              | Municipal Manager's Office |

|                                    |   |   |      |   |  |  |     |     |      |  |                            |
|------------------------------------|---|---|------|---|--|--|-----|-----|------|--|----------------------------|
| Communication management           | Development of draft communication strategy and circulate it to all departments for inputs, finalization of the newsletter and submit to council for approval | To provide communication support services, public liaison, marketing management.  | 149. | To review communication, corporate and branding strategy                                | 1 Communication Strategy Reviewed                          | Achieved. Communication strategy reviewed and approved               | N/A | N/A | OPEX | Communication strategy council resolution        | Municipal Manager's Office |
|                                    | Secure slots/space with media houses  | To ensure all compliance website materials are placed on the website in time<br>To produce quarterly municipal newsletter | 150. | Number of media statements/articles issued  | 16 media statements/alerts issued to various media houses  | Achieved. Media statements were issued                               | N/A | N/A | OPEX | Media articles                                   | Municipal Manager's Office |
|                                    | Develop of specification, Submit to SCM for procurement processes   |   | 151. | Number of corporate diaries (550) and calendars (1000) provided.                        | 1550 corporate diaries (550) and calendars (1000) provided | Achieved. 1550 corporate diaries (550) and calendars (1000) provided | N/A | N/A | OPEX | Delivery note                                    | Municipal Manager's Office |
| Website management and maintenance |   |   | 152. | % of all submitted legislated and regulated municipal information posted on the website | 100% posting of all website compliance content             | Achieved. 100% Posting of all quarterly required information         | N/A | N/A |      | Reports on website contents submitted and posted | Municipal Manager's Office |

|                                 |  |  |             |  |  |  |   |   |     |                               |          |                                      |                            |
|---------------------------------|--|--|-------------|--|--|--|---|---|-----|-------------------------------|----------|--------------------------------------|----------------------------|
| <b>Newsletter</b>               | Development of draft newsletter and circulate it to all departments for inputs, finalization of the newsletter and submit to service provider for printing |  | <b>153.</b> | Number of community newsletters editions printed | 4 Editions and developed and printed comprise 28000 newsletters copies | Municipal newsletter . Blouberg News, has been consistently produced on a quarterly basis in the previous financial years. | Achieved. 4 Editions and developed and printed comprise 28000 newsletters copies) | <u>Not achieved.</u>                                  |     | Reduce the number of editions | R130,000 | Delivery note Copy of newsletter     | Municipal Manager's Office |
| <b>Advertisements</b>           | Securing advertisement slots on radio and print media  | To advertise posts, tenders, IDP/Budget and Council adverts. | <b>154.</b> | Percent municipal events publicized              | % municipal events publicized  | 100%   | Achieved  | Achieved. 100% municipal events publicized            | N/A | N/A                           | R400,000 | Proof of advert                      | Municipal Manager's Office |
| <b>Branding &amp; Marketing</b> |  | Promoting and branding the Municipality                      | <b>155.</b> | Promoting and branding the Municipality          | Development and production of A1 posters, folder files & gazebos       | New Indicator  | Not applicable  | Achieved. A1 posters, folder files & gazebos produced | N/A | N/A                           |          | Copies or photos and delivery orders | Municipal Manager's Office |
| <b>Branding &amp; Marketing</b> |  | Promoting and branding the Municipality                      | <b>156.</b> | Promote batho pele                               | Development and production of nametags                                 | New Indicator  | Not applicable  | Achieved Tags were produced                           | N/A | N/A                           |          | Copies or photos and delivery orders | Municipal Manager's Office |

|                                  |   |      |  |  |  |          |  |     |     |      |  |                            |
|----------------------------------|---|------|--|--|--|----------|--|-----|-----|------|--|----------------------------|
| <b>SDBIP</b>                     | Collect information from departments, Develop a draft SDBIP, Submit to departments for inputs, incorporate inputs and submit to council for approval by 31 March 2015. Submit to the Mayor for signature, Submit to council for noting. | 157. | To develop 2017/18 SDBIP and submit to the Mayor for signature within 28 days after approval of the budget | SDBIP 2018/19 developed and submitted to the Mayor within 28 days after approval of the budget         | SDBIP 2015/16 was developed and submitted to the Mayor within 28 days after approval of the budget | Achieved | Achieved. SDBIP 2018/19 developed and approved.              | N/A | N/A | OPEX | Signed SDBIP and letter of acknowledgment.                                       | Municipal Manager's office |
| <b>Annual performance report</b> | Distribute Annual Performance report template to all departments to update, consolidate all the reports and submit to council for approval, AG and all relevant sector departments  | 158. | Number of developed Annual Performance Report submitted to AG.   | One (1) Approved 2016/17 Annual Performance Report submitted to AG by the 31 <sup>st</sup> August 2017 | Approved Annual Performance Report 2015/16   | Achieved | Achieved. One (1) Approved 2016/17 Annual Performance Report | N/A | N/A | OPEX | Annual Performance report (Sec 46) 2016/17 and acknowledgment letter of receipt. | Municipal Manager's Office |

|   |   |      |   |   |   |          |  |     |     |      |   |                            |
|---|---|------|---|---|---|----------|--|-----|-----|------|---|----------------------------|
| Annual report                             | Distribute report template to all departments to update, consolidate all the reports and submit to council for approval, AG and all relevant sector departments | 159. | Number of Annual Report prepared and submitted to Council for approval as per legislation(MF MA ,sec 121 & 129) | 1 annual report developed and submitted to all relevant stakeholders                          | Annual report consistently approved for the previous financial years in line with legislation | Achieved | Achieved. Draft Annual Report 2016/17 and Oversight Report approved. | N/A | N/A | OPEX | Annual report, council resolution and acknowledgement letters | Municipal Manager's Office |
| IDP Process Plan                          | Develop IDP process plan and serve before EXCO, and ultimately to Council for approval and distribute to all relevant stakeholders                              | 160. | Number of IDP process Plan developed and submit to council for approval.  | One (01) IDP Process Plan developed and submitted to council for approval by end of July 2017 | IDP Process plan for previous years as per MSA (sec 30)                                       | Achieved | Achieved IDP/Budget process plan developed and approved              | N/A | N/A | OPEX |   | Municipal Manager's Office |
| Review of finance policies and strategies | Budget related policies submitted to council for adoption in May 2017   | 161. | To review budget related policies for 2017/18 financial year  | 13 budget related policies reviewed for 2017/18 financial year                                | 12 budget related policies and 1 strategy reviewed and approved.                              | Achieved | Achieved   | N/A | N/A | OPEX | Budget adopted policies and council resolution                | Budget and Treasury        |

|  |  |  |      |   |  |  |          |          |  |     |     |      |  |                     |
|--|--|--|------|---|--|--|----------|----------|--|-----|-----|------|--|---------------------|
|  | Compile monthly reconciliation reports and submit to EXCO                    |  | 162. | Number of Monthly reconciliation developed and approved   | 128. All reconciliations developed and filed                     | All reconciliation be completed and monitored (128)  | Achieved | Achieved |  | N/A | N/A | OPEX | Monthly reconciliation reports                       | Budget and Treasury |
|  | Compile half year financial report and submit to Mayor & Provincial Treasury |  | 163. | To compile Half-Year budget and performance assessment report and submit to the Mayor, Provincial and National Treasury | Analysis of half-year financial performance of the municipality. | Half year financial performance assessment report compiled and submitted to the Mayor, Provincial and National Treasury by 25 January annually | Achieved | Achieved |  | N/A | N/A | OPEX | Half year financial report and acknowledgment letter | Budget and Treasury |

| Project   | Project Description  | Strategic Objectives                  | KPI No | KPI Measurable Objective                                      | Annual Target   | Baseline  | Actual Annual Performance 2016/17 | Actual Annual Performance 2017/18           | Reason for variance                            | Corrective Measure                                 | Budget      | Portfolio of evidence        | Responsibility                    |
|---|--|---------------------------------------|--------|---|---|---|-----------------------------------|---|--|--|-------------|------------------------------|-----------------------------------|
| <b>KPA 6: SPATIAL PLANNING AND RATIONALE</b>            |  |                                       |        |   |   |   |                                   |   |  |  |             |                              |                                   |
| Functionality of the Local Geographical Names Committee | Naming of streets and public amenities in the Blouberg Area.   |                                       | 164.   | To name streets and public amenities in the Blouberg Area.    | Approved street names and public amenities for Blouberg area and installation of name boards. | LGNC in place Policy on naming and renaming in place. | Not achieved                      | Not achieved                                | The communities didn't submit draft names      | Relaunch the project in the financial year 2018/19 | R100, 000   | Reports & Council resolution | Economic Development and Planning |
| Climate Change  | Reduction of carbon emissions through 2 tree planting projects |                                       | 165.   | No of tree, planting and projects implemented                 | 2 tree planting projects implemented  | SDF and EMP   | Achieved                          | Achieved. Tree planting project implemented | N/A  | N/A  | R 53 000.00 | Report and pictures          | Community Services                |
| Transfer of Alldays land fill site                      | Registration of Landfill site to the Municipality              | To ensure ownership of land fill site | 166.   | To transfer farm portion to municipality with full title deed | Transfer 1 farm portion to Blouberg Municipality  | Signed Offer To Purchase (OTP)                        | Not Achieved                      | Not achieved                                | The land is affected by registered land claims | Put project on halt until land claims is resolved  | OPEX        | Title deed                   | Economic Development and Planning |
| Purchase of land  | Purchase of 300 hectares of land                               | To secure land for business           | 167.   | Number of hectares purchased                                  | 300 Hectares of land purchased  | Budget available                                      | Not achieved                      | Not achieved                                | The land is affected by registered land claims | Put project on halt until land claims is resolved  | R4000000    | Proof of purchase            | Economic Development and Planning |



|                  |   |  |      |  |  |   |  |  |  |  |      |                           |                                   |
|------------------|---|--|------|--|--|---|--|--|--|--|------|---------------------------|-----------------------------------|
|                  | Implement court order in removing unlawful occupiers                  | and residential development                                | 168. | Number of court order implemented in removing unlawful occupiers                                   | Four court order implementation reports developed        | New indicator   | Not applicable   | Achieved. Report on Court order implementation developed   | N/A  | N/A  |      | Implementation report     | Economic development and Planning |
| Land Disposal    | Disposal of prime land for other development                          | To ensure massive development and attraction of investors. | 169. | Number of parcels of land disposed of  | 2 parcels of land disposed of.                           | Council resolution  | Not applicable   | Not Achieved. All Tolwe sites sold and Showgrounds to be advertised for attraction of possible investors | Delay was caused by the change in disposal method and exhaustion of advertising budget | Showgrounds to be advertised in q1 of the 2018/19 financial year | OPEX | Advertisement reports.    | Economic development and Planning |
| Human Settlement | Identification of beneficiaries and submission of the list to COGHSTA |  | 170. | Number of beneficiaries identified and provided with low cost housing                              | 600 beneficiaries benefited                              | Database Draft list of Development areas for housing provision has been developed | Achieved   | Achieved database developed and submitted  | N/A  | N/A  | OPEX | Beneficiaries' lists      | Economic Development and Planning |
|                  |   |  | 171. | Number of reports on the coordination and implementation of low cost housing for 600 beneficiaries | 15 reports (11 reports to EXCO and 4 reports to council) | 600 housing units approved for the 2017/18 financial year                         | 15 reports (11 reports to EXCO and 4 reports to council) | Achieved   | N/A  | N/A  | OPEX | Progress reports Pictures | Economic Development and Planning |

|                                      |   |      |  |  |  |          |   |     |     |      |   |                                   |
|--------------------------------------|---|------|--|--|--|----------|---|-----|-----|------|---|-----------------------------------|
| Land use Management                  | processing and finalization of all land development Application and change of land use rights in line with the land use management scheme | 172. | % implementation of LUMS Action plan   | 100% compliance of all approved and developed applications             | land use Management Scheme is in place                               | Achieved | Achieved. All applications received were attended to  | N/A | N/A | OPEX | Land use register, reports and list of applications   | Economic Development and Planning |
| SPLUMA BY-LAW                        | Conduct public consultation and gazette of the by-law   | 173. | Number of by-law adopted   | 1  | Draft SPLUMA by-law adopted by council for public consultations      | Achieved | Achieved. By-Law has been gazetted  | N/A | N/A | OPEX | Reports on the public participation on the draft by-law Newspaper advertisement on the draft by-law Council resolution on approval. | Economic Development and Planning |
| District Municipal Planning Tribunal | Joint Municipal Planning Tribunal to consider land development application  | 174. | Number of reports on the functionality of the joint district planning tribunal | 4 reports on the functionality of the joint district planning tribunal | The Municipality is a member of the joint district planning tribunal | achieved | Achieved. Due to resignation of the official designated for the task, only a report is attached | N/A | N/A | OPEX | Reports or minutes/statute registers  | Economic Development and Planning |

|                               |  |  |      |   |       |                        |              |  |  |   |          |  |                                   |
|-------------------------------|--|--|------|---|-------|------------------------|--------------|--|--|---|----------|--|-----------------------------------|
| Spatial Development framework | Framework to guide Municipal spatial development |  | 175. | Development of SPLUMA compliant SDF       | 1 SDF | SPLUMA in place        | Not achieved | Not Achieved. Service provider appointed for the SDF project and done with milestone 1 and 2 | Late appointment of the service provider | Complete the project in 2 phases (phase 1 on 4 <sup>th</sup> quarter and phase 2 in the FY 2018/19) | R400 000 | Attendant's register, minutes                      | Economic Development and Planning |
| Supplementary valuation Roll  | Roll to updated general Valuation roll           |  | 176. | To update existing General Valuation roll | 1     | General valuation Roll | Achieved     | Achieved. Supplementary valuation adopted by Council   | N/A                                      | N/A   | R100 000 | Project reports, property list, designation letter | Economic Development and Planning |

# CHAPTER 4

## ORGANIZATIONAL DEVELOPMENT AND PERFORMANCE (HUMAN RESOURCES)

### INTRODUCTION

The municipal Organizational structure was aligned to IDP and budget. The council also adopted the Organisational structure as part of IDP/Budget 2017/18. All skills gaps that were crucial in work performance were identified and training interventions were made to address skills gap. The institution comply with the national legislations

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Employees                          |                  |                  |                |                  |                  |                |
|------------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
| Description                        | 16/17            |                  | 2017/18        |                  |                  |                |
|                                    | No. of employees | No. of vacancies | % of vacancies | No. of employees | No. of vacancies | % of vacancies |
| Water                              |                  |                  |                |                  |                  |                |
| Waste Water (sanitation)           |                  |                  |                |                  |                  |                |
| Electricity                        |                  |                  |                | 9                | 3                |                |
| Waste Management                   |                  |                  |                | 5                | 3                |                |
| Housing                            |                  |                  |                | 1                | 0                |                |
| Waste Water (Storm water Drainage) |                  |                  |                |                  |                  |                |

|                                   |  |  |  |  |     |    |  |
|-----------------------------------|--|--|--|--|-----|----|--|
| Roads                             |  |  |  |  | 21  | 7  |  |
| Transport                         |  |  |  |  | 6   | 1  |  |
| Planning                          |  |  |  |  | 4   | 3  |  |
| Local Economic Development        |  |  |  |  | 3   | 1  |  |
| Planning (Strategic & Regulatory) |  |  |  |  |     |    |  |
| Community & social services       |  |  |  |  |     |    |  |
| Environmental protection          |  |  |  |  | 5   |    |  |
| Health                            |  |  |  |  |     |    |  |
| Security & safety                 |  |  |  |  | 38  | 7  |  |
| Sport & recreation                |  |  |  |  | 1   |    |  |
| Corporate Policy offices & other  |  |  |  |  | 98  | 15 |  |
| Totals                            |  |  |  |  | 171 | 40 |  |

| Vacancy Rate: 14/15   |                      |  |   |
|---|----------------------|--|---|
| Designation   | Total approved posts | Variances (Total time that vacancies exist using fulltime equivalents) | Variances (as a proportion of total posts in each category) |
| Municipal Manager   |                      | No   | %   |
| CFO   |                      |  |   |
| Other S57 Managers (excluding Finance Posts)                      | 1                    | 1 YEAR   |   |
| Other S57 Managers (Finance posts)                                |                      |  |   |
| Municipal Police  |                      |  |   |
| Fire Fighters   |                      |  |   |
| Management:   | 4                    | 1 YEAR   |   |
| Senior Management: Levels 13-15 (Finance Posts)                   |                      |  |   |
| Highly skilled supervision: Levels 9-12 (excluding Finance posts) | 11                   |  |   |
| Highly skilled supervision: Levels 9-12 (Finance posts)           | 1                    |  |   |
| <b>Total</b>  | <b>16</b>            |  |   |

| Turnover Rate |  |  |               |
|---------------|--|--|---------------|
| Details       | Total Appointments as of beginning of financial year No. | Terminations during the financial year No. | Turnover Rate |
| 2011/12       | 163  | 12   |               |
| 2012/13       | 166  | 9  |               |
| 2013/14       | 165  | 7  |               |
| 2014/15       | 181  | 15   |               |
| 2016/2017     | 179  | 11   |               |
| 2017/2018     | 191  | 8  |               |

#### COMMENT ON VACANCIES AND TURNOVER:

Unavailability of Succession Plan/Policy makes it impossible to ideally source personnel from the institution to fill the vacated posts. The Plan will come in handy in preparing potential incumbents of the challenges that lie ahead. Most of the vacancies were filled except for Senior Management ones which were a bit cumbersome as the process of filling such is not entirely institutional.

#### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

##### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has taken into cognizance the history of apartheid laws and practices with the resultant disparities and inequalities, in the spirit of Employment Equity Act is geared towards achieving employment equity across all occupational levels and categories and therefore in order to redress the imbalance of the past and move towards a humane and representative Labour market underpinned by Equity, Equity redress and Affirmative Action. The Municipality has Employment Equity Plan and active/ functional Employment Equity Committee. 2017/2018 Employment Equity report was timeously submitted to the Department of Labour. HR Policies are in place.

## 4.2 POLICIES

| Fair Policies & Plans |   |             |           |  |
|-----------------------|---|-------------|-----------|--|
|                       | Name of Policy                              | Completed % | Adopted % | Date adopted by council or comment on failure to adopt |
| 1                     | Affirmative Action                          | 0%          | 0         | Using employment equity policy                         |
| 2                     | Attraction & Retention                      | 100         | 100%      | 30/06/2015   |
| 3                     | Code of conduct for employees               | 100%        | 100%      | Using the Disciplinary code collective agreement.      |
| 4                     | Delegations, Authorization & responsibility | 100         | 100       | Done by council for the entire council term.           |
| 5                     | Disciplinary Code & Procedures              | 0           | 0         | Using the disciplinary code collective agreement       |
| 6                     | Essential Services                          | 0           | 0         | 04/06/2008   |
| 7                     | Employee Assistance/ wellness               | 100         | 100       | 30/06/2015   |
| 8                     | Employment Equity                           | 100%        | 100%      | 31/01/2016   |
| 9                     | Exit Management                             | 100%        | 100%      | 30/06/2015   |



|    |                                       |      |  |      |  |                                 |
|----|---------------------------------------|------|--|------|--|---------------------------------|
| 10 | Grievance Procedures                  | 100% |  | 100% |  | 30/06/015                       |
| 11 | HIV/AIDS                              | 100% |  | 100% |  | 30/06/2015                      |
| 12 | Human Resource & Development          | 100% |  | 100% |  | 30/06/2015                      |
| 13 | Information Technology                | 100% |  | 100% |  | 30/06/2015                      |
| 14 | Job Evaluation                        | 100% |  | 100% |  | 31/03/2015                      |
| 15 | Leave                                 | 100% |  | 100% |  | 31/05/2007                      |
| 16 | Occupational Health & Safety          | 100% |  | 100% |  | 30/06/2015                      |
| 17 | Official Housing                      | 0    |  | 0    |  | N/A                             |
| 18 | Official Journeys                     | 100% |  | 100% |  | Using treasury guidelines       |
| 19 | Official Transport to attend funerals | 100  |  | 100  |  | 30/06/2015                      |
| 20 | Official working hours and overtime   | 100  |  | 100  |  | Using main collective agreement |
| 21 | Organisational rights                 | 0    |  | 0    |  | Using main collective agreement |
| 22 | Payroll Deductions                    | 0    |  | 0    |  | 31/03/2015                      |
| 23 | Performance Management & Development  | 100  |  | 100% |  | 30/06/2015                      |
| 24 | Recruitment, selection & Appointments | 100% |  | 100% |  | 30/06/2015                      |
| 25 | Remuneration Scales & Allowances      | 100  |  | 100  |  | 04/06/2014                      |

|    |                             |      |      |            |
|----|-----------------------------|------|------|------------|
| 26 | Resettlement                | 0    | 0    | n/a        |
| 27 | Sexual Harassment           | 100% | 100% | 30/06/2015 |
| 28 | Skills development          | 100% | 100% | 30/06/2015 |
| 29 | Smoking                     | 100% | 0    | 04/10/2004 |
| 30 | Special skills              | 0    | 0    | n/a        |
| 31 | Work Organization           | 0    | 0    | 31/07/2015 |
| 32 | Uniforms & protect clothing | 0    | 0    |            |
| 33 | Other                       |      |      |            |

**COMMENT ON WORKFORCE POLICY DEVELOPMENT:**

Over the years the Municipality has managed to develop all priority human resource policies, procedures and systems in line with the MSA 2000 (S67) to ensure fair, efficient, effective and transparent personnel administration. During the year in issue emphasis was placed on improving implementation of the policies and amendment of those policies that were becoming outdated. The Corporate Services Portfolio Committee had developed a monitoring tool and monthly received and considered policy implementation progress report. Policies were developed and adopted by the council. There is a need to develop a detailed implementation plan that will outline the processes to be followed in implementing the plan. Bursaries will be issued to eligible employees for career development purposes. The municipality will continue to make funds available on each financial year to ensure that capacity building is funded and both organization and employees benefit from the project

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

| Number and cost of injuries on duty   |                    |                            |                                       |                                   |            |
|---------------------------------------|--------------------|----------------------------|---------------------------------------|-----------------------------------|------------|
| Type of injury                        | Injury leave taken | Employees using sick leave | Proportion employees using sick leave | Average injury leave per employee | Total cost |
|                                       | Days               | Days                       |                                       | Days                              | £ 000      |
| Required basic medical attention only | 0                  | 0                          |                                       |                                   |            |
| Temporary total disablement           | 0                  | 0                          |                                       |                                   |            |
| Permanent disablement                 | 0                  | 0                          |                                       |                                   |            |
| Fatal                                 |                    |                            |                                       |                                   |            |
| <b>Total</b>                          |                    |                            |                                       |                                   |            |

| Number of days and cost of sick leave (excluding injuries on duty)                          |                          |  |                                 |                    |   |                         |
|---|--------------------------|--|---------------------------------|--------------------|---|-------------------------|
| Designations  | Total sick leave<br>Days | Proportion of<br>sick leave<br>without<br>medical<br>certification | Employees<br>with sick<br>leave | Total<br>employees | Average<br>sick leave<br>per<br>employees | Estimated cost<br>R'000 |
| (level 1-2)   | 26                       | 2  | 13                              | 26                 |   | 48 230                  |
| Skilled (level 3-5)   | 129                      | 4  | 17                              | 49                 |   | 160 000                 |
| (levels 6-8)  | 14                       | 0  | 16                              | 43                 |   | 26 000                  |
| (level 9-10)  | 11                       | 0  | 7                               | 30                 |   | 21 232                  |
| (levels 11)   | 22                       | 0  | 11                              | 38                 |   | 8 703                   |
| MM & S57  | 4                        | 0  | 1                               | 5                  |   | 13 000                  |
| <b>Total</b>  |                          |  |                                 | <b>151</b>         |   |                         |
| *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 |                          |  |                                 |                    |   |                         |

**COMMENT ON INJURY AND SICK LEAVE:**

Minor injuries were encountered which only needed basic medical attention during the year under review. Occupational Health and Safety Committee conducted risk assessment. Recommendations to minimize risks were made and implemented to minimize risks.

| Number and nature of suspensions |                              |                    |                |
|----------------------------------|------------------------------|--------------------|----------------|
| Position                         | Nature of alleged misconduct | Date of suspension | Date finalized |
|                                  |                              |                    |                |
|                                  |                              |                    |                |
|                                  |                              |                    |                |
|                                  |                              |                    |                |
|                                  |                              |                    |                |

| Disciplinary action taken on cases of financial misconduct |  |                           |                |
|--|--|---------------------------|----------------|
| Position   | Nature of alleged misconduct and value of any loss to the municipality | Disciplinary action taken | Date finalized |
| 0  | 0  | 0                         | 0              |

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no cases related to financial misconduct during 2017/18.

#### 4.4 PERFORMANCE REWARDS

| Performance Rewards by Gender (THERE WERE NO PERFORMANCE REWARDS FOR THE PERIOD UNDER REVIEW) |        |                                    |                         |                                      |  |
|---|--------|------------------------------------|-------------------------|--------------------------------------|--|
| Beneficiary Profile   |        |                                    |                         |                                      |  |
| Designation   | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2017/18 R 000 | Proportion of beneficiaries within group % |
| Lower skilled (levels 1-2)  | Female | 0                                  | 0                       | 0                                    | 0  |
|   | Male   | 0                                  | 0                       | 0                                    | 0  |
| Skilled (levels 3-5)  | Female | 0                                  | 0                       | 0                                    | 0  |
|   | Male   | 0                                  | 0                       | 0                                    | 0  |
| Highly skilled production (levels 6-8)  | Female | 0                                  | 0                       | 0                                    | 0  |
|   | Male   | 0                                  | 0                       | 0                                    | 0  |
| Highly skilled supervision (levels 9-12)  | Female | 0                                  | 0                       | 0                                    | 0  |
|   | Male   | 0                                  | 0                       | 0                                    | 0  |
| Senior Management (levels 13-15)  | Female | 0                                  | 0                       | 0                                    | 0  |
|   | Male   | 0                                  | 0                       | 0                                    | 0  |

|   |        |   |   |   |   |
|---|--------|---|---|---|---|
| MM and S57  | Female | 0 | 0 | 0 | 0 |
|   | Male   | 0 | 0 | 0 | 0 |
| Total   |        |   |   |   |   |
| Has the statutory municipal calculator been used as part of the been used as part of the evaluation process?  |        |   |   |   |   |
| <p>Note: MSA 2000 S51 (d) requires that ... performance plans, on which rewards are based should be aligned with the IDP... (IDP objectives and targets are set out in chapter 3) and that service delivery and budget implementation plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets (x) in the 'number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p> |        |   |   |   |   |

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Work Skills Plan and Annual Training Report were developed and submitted to LGSETA within required time frame. The municipality complies with the plan. Mandatory and discretionary grants were claimed and received to assist training interventions



# 4.5 SKILLS DEVELOPMENT AND TRAINING

| Skills Matrix                           |        |                    |  |                     |        |                     |                         |        |                     |                     |        |                     |                     |
|---|--------|--------------------|--|---------------------|--------|---------------------|-------------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|
| Management                              | Gender | Employment in 2016 | Number of skilled employees required and actual as at 30 June 2016 |                     |        |                     |                         |        |                     |                     |        |                     |                     |
|   | No.    | Leaverships        | Skills programme & other courses                                   |                     |        |                     | Other forms of training |        |                     |                     | Total  |                     |                     |
|   |        |                    | Actual 30 June 2017  | Actual 30 June 2016 | Target | Actual 30 June 2017 | Actual 30 June 2016     | Target | Actual 30 June 2017 | Actual 30 June 2016 | Target | Actual 30 June 2017 | Actual 30 June 2016 |
| MM & S57                                | Female | 01                 | 0  | 0                   | 0      | 00                  | 00                      | 00     | 0                   | 0                   | 0      | 00                  | 00                  |
|   | Male   | 01                 | 0  | 0                   | 0      | 00                  | 00                      | 00     | 0                   | 0                   | 0      | 00                  | 00                  |
| Councilors, senior officials & managers | Female | 26                 | 0  | 6                   | 6      | 14                  | 08                      | 08     | 0                   | 0                   | 0      | 14                  | 14                  |
|   | Male   | 41                 | 6  | 10                  | 10     | 17                  | 12                      | 12     | 0                   | 0                   | 0      | 23                  | 23                  |
| Technicians & associate professionals   | Female | 27                 | 3  | 0                   | 0      | 17                  | 12                      | 12     | 0                   | 0                   | 0      | 12                  | 12                  |
|   | Male   | 67                 | 5  | 1                   | 1      | 22                  | 18                      | 18     | 0                   | 0                   | 0      | 19                  | 19                  |

|               |        |     |    |    |    |    |    |    |    |    |    |    |    |    |    |
|---------------|--------|-----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Professionals | Female | 9   | 2  | 2  | 2  | 03 | 04 | 04 | 0  | 0  | 0  | 0  | 05 | 06 | 06 |
|               | Male   | 19  | 4  | 0  | 0  | 06 | 08 | 08 | 0  | 0  | 0  | 0  | 12 | 08 | 08 |
| Sub Total     | Female | 63  | 5  | 8  | 8  | 34 | 24 | 24 | 00 | 00 | 00 | 00 | 45 | 32 | 32 |
|               | Male   | 128 | 15 | 11 | 11 | 45 | 38 | 38 | 00 | 00 | 00 | 00 | 27 | 50 | 50 |
| Total         |        | 192 | 20 | 19 | 19 | 79 | 62 | 62 | 00 | 00 | 00 | 00 | 72 | 82 | 82 |

Financial competence, development progress report

| Description                       | Total number of officials employed by municipality in Regulation 14 (a) and (c) | Total number of officials employed by municipalities (Regulation 14(4)(a) and (c)) | Consolidated total of A and B | Consolidated total assessed for Regulation 14(4)(a) and (c) | Consolidated total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(d)) | Consolidated total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
|-----------------------------------|---|--|-------------------------------|---|---|---|
| Financial officials               | 22  | 00   | 22                            | 00  | 00  | 15  |
| Accounting officer                | 01  | 00   | 01                            | 01  | 01  | 01  |
| Chief Financial Officer           | 00  | 00   | 00                            | 0   | 00  | 00  |
| Senior Managers                   | 01  | 00   | 01                            | 01  | 01  | 01  |
| Any other financial officials     | 00  | 00   | 00                            | 0   | 00  | 00  |
| Supply Chain Management officials | 03  | 00   | 03                            | 0   | 00  | 01  |
| Heads of SCM units                | 01  | 00   | 01                            | 0   | 00  | 00  |
| SCM senior managers               | 00  | 00   | 00                            | 0   | 00  | 00  |
| Total                             | 28  | 00   | 28                            | 02  | 02  | 18  |

| Skills Development Expenditure             |        |  |  |  |         |                                       |        |                         |        |                 |         |  |  |
|--|--------|--|--|--|---------|---------------------------------------|--------|-------------------------|--------|-----------------|---------|--|--|
| Management Level                           |        | General Management as at the beginning of the financial year |  | Original Budget and Actual Expenditure on Skills Development 2017/18 |         |                                       |        |                         |        |                 |         |  |  |
|  |        |  |  | Leaverships  |         | Skills programmes other short courses |        | Other forms of training |        | Total           |         |  |  |
|  |        |  |  | Original Budget  | Actual  | Original Budget                       | Actual | Original Budget         | Actual | Original Budget | Actual  |  |  |
| MM and S57                                 | Female | 01   |  | 0.00   | 0.00    | 00                                    | 00     |                         |        | 00              | 00      |  |  |
|  | Male   | 01   |  | 00   | 00      | 00                                    | 00     |                         |        |                 | 00      |  |  |
| Legislators, senior officials and managers | Female | 28   |  | 25 000   | 25 000  | 25 000                                | 25 000 | 00                      | 00     | 50 000          | 25 000  |  |  |
|  | Male   | 39   |  | 325 000  | 292 000 | 100 000                               | 95 000 | 00                      | 00     | 425 000         | 387 000 |  |  |
| Professionals                              | Female | 09   |  | 00   | 00      | 50 000                                | 30 000 | 00                      | 00     | 50 000          | 30 000  |  |  |
|  | Male   | 12   |  | 48 500   | 48 500  | 48 000                                | 32 500 | 00                      | 00     | 96 500          | 81 000  |  |  |
| Technicians and associate professionals    | Female | 08   |  | 00   | 00      | 30 000                                | 29 250 | 00                      | 00     | 30 000          | 29 250  |  |  |
|  | Male   | 15   |  | 00   | 00      | 60 000                                | 58 500 | 00                      | 00     | 60 000          | 58 500  |  |  |

|  |        |     |    |    |    |         |         |    |    |         |         |
|--|--------|-----|----|----|----|---------|---------|----|----|---------|---------|
| Clerks                                     | Female | 19  | 00 | 00 | 00 | 20 000  | 15 500  | 00 | 00 | 20 000  | 15 500  |
|  | Male   | 10  | 00 | 00 | 00 | 10 000  | 00      | 00 | 00 | 10 000  | 00      |
| Service and sales workers                  | Female | 14  | 00 | 00 | 00 | 10 000  | 00      | 00 | 00 | 10 000  | 00      |
|  | Male   | 19  | 00 | 00 | 00 | 5500    | 5244    | 00 | 00 | 5500    | 5244    |
| Plant and machine operators and assemblers | Female | 04  | 00 | 00 | 00 | 00      | 00      | 00 | 00 | 00      | 00      |
|  | Male   | 24  | 00 | 00 | 00 | 5500    | 00      | 00 | 00 | 5500    | 00      |
| Elementary occupation                      | Female | 11  | 00 | 00 | 00 | 08 000  | 00      | 00 | 00 | 08 000  | 00      |
|  | Male   | 16  | 00 | 00 | 00 | 10 000  | 7500    | 00 | 00 | 10 000  | 7500    |
| Sub Total                                  | Female | 93  | 00 | 00 | 00 | 93 000  | 395744  | 00 | 00 | 168 000 | 77 250  |
|  | Male   | 135 | 00 | 00 | 00 | 464 500 | 395 747 | 00 | 00 | 612 500 | 539 244 |

# COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Not all Managers and Finance officials were trained on financial competency regulations due to insufficient budget

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6. EMPLOYEE EXPENDITURE

| Number of employees whose salaries were increased due to their positions being reassessed |        |       |
|---|--------|-------|
| Beneficiaries   | Gender | Total |
| Lower skilled (level 1-2)   | Female |       |
|   | Male   | 1     |
| Skilled (level 3-5)   | Female |       |
|   | Male   |       |
| Highly skilled production (levels 6-8)  | Female |       |
|   | Male   |       |
| Highly skilled supervision (level 9-12)   | Female |       |
|   | Male   |       |
| (levels 13-15)  | Female | 1     |
|   | Male   |       |
| MM & S57  | Female |       |

|       |      |  |
|-------|------|--|
|       | Male |  |
| Total |      |  |

| Employees whose salary is/are the grade determined by Job Evaluation (NONE) |        |                      |                  |         |
|---|--------|----------------------|------------------|---------|
| Occupation  | Emp No | Job evaluation level | Remuneration (a) | Period  |
|   | 0      | 0                    | 0                | 03/2010 |
| 0   | 0      | 0                    | 0                | 0       |

| Employees appointed to posts not approved (NONE) |                     |               |        |         |
|--|---------------------|---------------|--------|---------|
| Level  | Date of appointment | No. appointed | Period | Remarks |
| 0  | 0                   | 0             | 0      | 03/2010 |
| 0  | 0                   | 0             | 0      | 03/2010 |

**COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:**

There were no upgraded posts during the period under review.

**DISCLOSURES OF FINANCIAL INTERESTS**

All Senior Managers and Councillors Completed and Submitted their Disclosure of Financial Interests and submitted same to The Office of the Municipal Manager



# ANNEXURES

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# AUDIT REPORT 2017/18



AUDITOR-GENERAL  
SOUTH AFRICA

The Municipal Manager  
Blouberg Local Municipality  
P.O Box 1593  
Senwabarwana  
0790

30 November 2018

Reference:60052REG1718

Dear Sir

**Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Blouberg Local Municipality for the year ended 30 June 2018**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements and the reported performance against pre-determined objectives. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
4. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
5. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and

the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

6. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed

  
.....  
Senior Manager: Limpopo

Enquiries: Molatelo Magongwa  
Telephone: (015) 283 9300  
Fax: (015) 283 9401

# **Report of the auditor-general of the Limpopo provincial legislature and the council Blouberg Local Municipality**

## **Report on the audit of the financial statements**

### **Qualified opinion**

1. I have audited the financial statements of the Blouberg Local Municipality as set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2018 and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements including summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis of qualified opinion section of this auditors report, the financial statements present fairly, in all material respects, the financial position of municipality as at 30 June 2018, and their financial performance and cash flows for the year then ended in accordance with South African standard of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Division Of Revenue Act, 2017 ( Act No.3 of 2017) (DORA).

### **Basis for qualified opinion**

#### **VAT recievable**

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for accounts receivable. As described in note 40 to the financial statements, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the accounts receivable corresponding figure stated at R2 670 202 in the financial statements.

#### **Payables from exchange transaction**

4. I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions as disclosed in note 17 to the financial statements. The balance as per the financial statements was not supported by accurate and complete underlying accounting records. I could not confirm payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to payables from exchange transaction stated at R46 104 567 in the financial statements.

## **Context for the opinion**

5. 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 this auditor's report.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of matters**

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

### **Uncertainty relating to the future outcome of exceptional litigation**

9. With reference to note 38 to the financial statements, the municipality is the defendant in a claim. The municipality is opposing the claim. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements

### **Restatement of corresponding figures**

10. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

### **Irregular expenditure**

11. As disclosed in note 46 to the financial statements, the municipality incurred irregular expenditure of R13 959 006 as it did not follow a proper procurement processes.

### **Fruitless and wasteful expenditure**

12. As disclosed in note 45 to the financial statements, fruitless and wasteful expenditure to the amount of R286 631 was incurred as a result of payment of interest on overdue accounts from Eskom.

## **Other matters**

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

### **Unaudited supplementary information**

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

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

### **Responsibilities of the accounting officer for the financial statements**

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA standards 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 the financial statements that are free from material misstatement, whether due to fraud or error.
17. 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**

18. 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.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

|   |
|---|
| <b>Report on the audit of the annual performance report</b> |
|---|

### **Introduction and scope**

20. 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 key performance area presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. 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.

22. 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:

| Key Performance Area   | Pages in annual performance report |
|--|------------------------------------|
| KPA 1: Basic service delivery and infrastructure development | xx-xx                              |
| KPA 3: Local economic development                            | xx-xx                              |

23. 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.

24. The material findings in respect of the usefulness and reliability of the selected key performance area are as follows:

**Development Priority 1: Basic service delivery and infrastructure development**

Reported strategic objective was not consistent or complete when compared with the planned strategic objectives

Objective: Number of transformers and auto re-closers purchased and installed

25. The strategic objective approved in the service delivery and budget implementation plan (SDBIP) was Number of transformers and Auto re-closers purchased and installed. However, it was not included in the annual performance report.

Reported Indicator and target not complete

Indicator: Number of transformers and auto re-closers purchased and installed

26. The indicator and target approved in the SDBIP was number of transformers and auto re-closers purchased and installed. However, the indicator and target was not reported in the annual performance report.

Indicator and target not consistent

27. The various indicators and targets listed below were approved and in the SDBIP and measured in percentages. However, the target approved and reported in the annual performance report was measured in number.

| KPI No. | Planned indicators/ measures per annual planning document | Planned targets per APR  |
|---------|---|--|
| 1       | % construction of internal street and storm water.        | 4,4km of internal streets from gravel to tar surface and storm water channel<br>30 June 2018 |



| KPI No. | Planned indicators/ measures per annual planning document | Planned targets per APR  |
|---------|---|--|
| 2       | % completion on construction of preschools                | Four preschools constructed and availed for occupation by 30 June 2018                                       |
| 3       | % of completed construction work for the sports complex   | Construction of soccer pitch, grand stands, change rooms, multiple sporting codes facilities by 30 June 2018 |
| 4       | % households connected to electricity grid                | 656 households connected to electricity grid and energized by 30 June 2018                                   |

Indicators and targets not approved

Indicator - % emergency transformers installed within 24 hours of request

28. The indicator and target were not included in the approved SDBIP. However, the indicator and target was reported on without the necessary adjustments and approval thereof.

Reported achievement not supported

Various indicators

29. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 4 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

| KPI No | Planned indicators/ measures per annual planning document | Planned targets per APR  |
|--------|---|--|
| 1      | Number of km of internal street graded                    | 400km internal street graded   |
| 2      | Number of km of internal street re-graveled               | 50km internal street re-gravelling.  |
| 3      | % of completed construction work for the sports complex   | Construction of soccer pitch, grand stands, change rooms, multi sporting codes facilities by 30 June 2018. |
| 4      | Number of km of upgraded internal street maintained       | 25km internal street graded.   |

Development priority 3: Local economic development

Indicator not well defined

Indicator: number of LED projects supported and sustained

30. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information to be used when measuring the actual achievement for the indicator. This was due to a lack of technical indicator descriptions. I was unable to test whether the indicator was well-defined by alternative mean

Reliability: disagreement misstatements

Various indicators

31. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

| Indicator description   | Reported achievement | Audited value |
|---|----------------------|---------------|
| Number of jobs opportunities created and sustained through municipal EPWP by June 2018.                           | 200                  | 147           |
| Number of jobs created and sustained through EPWP alien plant project.  | 29                   | 45            |
| Number of jobs created and sustained through EPWP Senwabarwana waste project 30 June 2018.                        | 29                   | 76            |
| Number of jobs created and sustained through implementation of municipal capital works programme by 30 June 2018. | 320                  | 150           |

### Other matters

32. We draw attention to the matters below. Our opinions are not modified in respect of these

Achievement of planned targets

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

### Report on the audit of compliance with legislation

### Introduction and scope

34. 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.

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

Annual financial statements, performance and annual reports

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

Procurement and contract management

37. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention with supply chain management (SCM) regulation 17(a) and (c).

38. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

39. 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).

40. Sufficient appropriate audit evidence could not be obtained that bid specifications were unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM regulation 27(2)(a).

41. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44.

Expenditure management

42. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

43. Effective steps were not taken to prevent irregular expenditure amounting to R13 959 006 as as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the non-compliance with procurement regulations.

44. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred, as required by section 65(2)(b) of the MFMA.

45. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R286 631, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on Eskom unpaid invoices.

46. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

|                   |
|-------------------|
| Other information |
|-------------------|

47. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected key performance area presented in the annual performance report that have been specifically reported in this auditor's report.
48. 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.
49. 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 key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

|                               |
|-------------------------------|
| Internal control deficiencies |
|-------------------------------|

50. 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 qualified opinion.
51. Management did not develop and implement proper performance planning and management practices to provide for the development of performance indicators and targets.
52. Management did not implement controls and process to ensure that the financial statements are free from material errors and the municipality is not in compliance with the relevant laws and regulations. Management did not develop an effective system which verified the accuracy, completeness and reliability of the reported performance contained in the annual performance report.

# Auditor-General

Polokwane

30 November 2018



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 key performance area 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 this 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'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 Blouberg Local Municipality's 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 this auditor's report. However, future events or conditions may cause a municipality to cease continuing 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

### **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, where applicable, related safeguards.

# **ANNUAL FINANCIAL STATEMENTS 2017/18**



Blouberg Local Municipality  
Annual Financial Statements  
for the year ended June 30 2018



# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## General Information

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|  |   |
|--|---|
| <b>Legal form of entity</b>                        | Local Municipality<br>Category B  |
| <b>Nature of business and principal activities</b> | Local Government and the provision of basic services to the local community |
| <b>Executive committee</b>                         |   |
| Mayor  | Pheedi MS   |
| Speaker  | Thamaga MN  |
| Chief Whip   | Tshoshi MM  |
| <b>Members of executive committee</b>              |   |
|  | Rangata MJ  |
|  | Mashalane MS  |
|  | Ntlatla MW  |
|  | Makobela SR   |
|  | Morapedi AM   |
|  | Maila MP  |
|  | Makhura MH  |
| <b>Councillors</b>                                 | Sekgoloane MJ (MPAC Chairperson)  |
|  | Mphago MA   |
|  | Selamolela S  |
|  | Madibana SS   |
|  | Murathi MS  |
|  | Seema MI  |
|  | Maifo ML  |
|  | Moshokoa MS   |
|  | Ramoba MR   |
|  | Sebetha MJ  |
|  | Madibana MR   |
|  | Morodu MF   |
|  | Chula MI  |
|  | Makgakga JP   |
|  | Setwaba DS  |
|  | Molema MN   |
|  | Tefo LT   |
|  | Maleka NG   |
|  | Phoshoko NC   |
|  | Mokobodi CS   |
|  | Madiope TM  |
|  | Mabolola SJ   |
|  | Molokomme MM  |
|  | Magwati RT  |
|  | Madzhie AE  |
|  | Mphango MA  |
|  | Modingwana MG   |
|  | Masekwameng MR  |
|  | Raseruthe MA  |
|  | Lehong MV   |
|  | Tlouamma NM   |
|  | Moetji NT   |

# **Blouberg Local Municipality**

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## **General Information**

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|                                    |  |
|------------------------------------|--|
|                                    | Majodo MD  |
|                                    | Mathidza SE  |
|                                    | Madibana SS  |
|                                    | Tjumana MM   |
|                                    | Magwai RT  |
| <b>Municipal Manager</b>           | Machaba MJ   |
| <b>Chief Finance Officer (CFO)</b> | Jack Mabote  |
| <b>Registered office</b>           | 2nd Building<br>Dendron Road<br>Senwabarwana<br>0790 |
| <b>Business address</b>            | 2nd Building<br>Dendron Road<br>Senwabarwana<br>0790 |
| <b>Postal address</b>              | P.O.Box 1593<br>Senwabarwana<br>0790                 |
| <b>Bankers</b>                     | ABSA   |
| <b>Auditors</b>                    | Auditor- General of South Africa                     |

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Index

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

|  | Page    |
|--|---------|
| Accounting Officer's Responsibilities and Approval   | 4       |
| Statement of Financial Position                      | 5       |
| Statement of Financial Performance                   | 6       |
| Statement of Changes in Net Assets                   | 7       |
| Cash Flow Statement                                  | 8       |
| Statement of Comparison of Budget and Actual Amounts | 9 - 11  |
| Accounting Policies                                  | 12 - 26 |
| Notes to the Annual Financial Statements             | 27 - 58 |

|       |  |
|-------|--|
| GRAP  | Generally Recognised Accounting Practice         |
| IAS   | International Accounting Standards               |
| IMFO  | Institute of Municipal Finance Officers          |
| IPSAS | International Public Sector Accounting Standards |
| MEC   | Member of the Executive Council                  |
| MFMA  | Municipal Finance Management Act                 |
| MIG   | Municipal Infrastructure Grant (Previously CMIP) |

# **Blouberg Local Municipality**

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## **Accounting Officer's Responsibilities and Approval**

---

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2019 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 5 to 58, which have been prepared on the going concern basis, were approved by the on August 30, 2018 and were signed on its behalf by:

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**Machaba MJ**  
**Municipal Manager**

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Statement of Financial Position as at June 30, 2018

Figures in Rand

|  | Note(s) | 2018                 | 2017<br>Restated*  |
|--|---------|----------------------|--------------------|
| <b>Assets</b>                              |         |                      |                    |
| Current Assets                             |         |                      |                    |
| Inventories                                | 7       | 6,925,355            | 3,879,157          |
| Receivables from exchange transactions     | 8       | 3,694,969            | 380,874            |
| Receivables from non-exchange transactions | 9       | 85,780,410           | 62,523,016         |
| VAT receivable                             | 10      | 2,670,202            | 4,781,810          |
| Consumer debtors                           | 11      | 8,627,777            | 8,258,125          |
| Cash and cash equivalents                  | 12      | 15,884,563           | 41,112,807         |
|  |         | <b>123,583,276</b>   | <b>120,935,789</b> |
| Non-Current Assets                         |         |                      |                    |
| Investment property                        | 3       | 205,000              | 205,000            |
| Property, plant and equipment              | 4       | 893,811,968          | 869,890,324        |
| Intangible assets                          | 5       | 232,467              | 102,752            |
| Investments                                | 6       | 3,767,074            | 3,092,529          |
|  |         | <b>898,016,509</b>   | <b>873,290,605</b> |
| <b>Total Assets</b>                        |         | <b>1,021,599,785</b> | <b>994,226,394</b> |
| <b>Liabilities</b>                         |         |                      |                    |
| Current Liabilities                        |         |                      |                    |
| Other financial liabilities                | 15      | 4,748,161            | 1,638,771          |
| Finance lease obligation                   | 13      | 468,546              | 107,319            |
| Payables from exchange transactions        | 17      | 46,104,567           | 41,019,379         |
| Unspent conditional grants and receipts    | 14      | 699,785              | 7,024,259          |
| Provisions                                 | 16      | 17,780,945           | 8,482,397          |
|  |         | <b>69,802,004</b>    | <b>58,272,125</b>  |
| Non-Current Liabilities                    |         |                      |                    |
| Finance lease obligation                   | 13      | 820,102              | -                  |
| Provisions                                 | 16      | 5,428,212            | 12,367,802         |
|  |         | <b>6,248,314</b>     | <b>12,367,802</b>  |
| <b>Total Liabilities</b>                   |         | <b>76,050,318</b>    | <b>70,639,927</b>  |
| <b>Net Assets</b>                          |         | <b>945,549,467</b>   | <b>923,586,467</b> |
| Accumulated surplus                        |         | 945,549,467          | 923,586,467        |

\* See Note 40

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Statement of Financial Performance

| Figures in Rand  | Note(s) | 2018                 | 2017<br>Restated*    |
|--|---------|----------------------|----------------------|
| <b>Revenue</b>   |         |                      |                      |
| <b>Revenue from exchange transactions</b>                                  |         |                      |                      |
| Service charges  | 19      | 23,336,476           | 20,947,600           |
| Rental of facilities and equipment   | 20      | 851,274              | 1,046,139            |
| Licences and permits   |         | 3,999,118            | 3,488,749            |
| Interest received on outstanding debtors                                   |         | 1,860,348            | 1,961,446            |
| Other income   | 22      | 404,271              | 1,249,854            |
| Sale of Inventory - sites  |         | 286,962              | 317,321              |
| Interest received - investment   | 23      | 2,475,497            | 2,071,798            |
| Actuarial gains  | 16      | 491,362              | -                    |
| Gains from transfer of functions between entities not under common control | 36      | -                    | 29,914,193           |
| <b>Total revenue from exchange transactions</b>                            |         | <b>33,705,308</b>    | <b>60,997,100</b>    |
| <b>Revenue from non-exchange transactions</b>                              |         |                      |                      |
| <b>Taxation revenue</b>  |         |                      |                      |
| Property rates   | 24      | 25,289,619           | 25,064,827           |
| <b>Transfer revenue</b>  |         |                      |                      |
| Government grants & subsidies  | 25      | 256,301,916          | 261,623,232          |
| Fines  |         | 3,282,760            | 1,273,061            |
| <b>Total revenue from non-exchange transactions</b>                        |         | <b>284,874,295</b>   | <b>287,961,120</b>   |
| <b>Total revenue</b>   | 18      | <b>318,579,603</b>   | <b>348,958,220</b>   |
| <b>Expenditure</b>   |         |                      |                      |
| Employee related costs   | 26      | (100,240,828)        | (87,556,240)         |
| Remuneration of councillors  | 27      | (19,645,442)         | (17,510,164)         |
| Depreciation and amortisation  | 28      | (35,270,140)         | (33,725,925)         |
| Finance costs  | 29      | (1,413,022)          | (314,156)            |
| Debt Impairment  | 30      | (2,308,637)          | 3,066,576            |
| Bulk purchases   | 31      | (30,319,038)         | (26,041,822)         |
| Contracted services  | 32      | (11,753,062)         | (7,069,632)          |
| Loss on disposal of assets and liabilities                                 |         | (754,846)            | -                    |
| General Expenses   | 33      | (94,911,586)         | (81,066,068)         |
| <b>Total expenditure</b>   |         | <b>(296,616,601)</b> | <b>(250,217,431)</b> |
| <b>Surplus for the year</b>  |         | <b>21,963,002</b>    | <b>98,740,789</b>    |

\* See Note 40

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Statement of Changes in Net Assets

| Figures in Rand                                       | Accumulated surplus | Total net assets   |
|---|---------------------|--------------------|
| <b>Balance at July 1, 2016</b>                        |                     |                    |
| Changes in net assets                                 | <b>824,845,678</b>  | <b>824,845,678</b> |
| Surplus for the year                                  |                     |                    |
| Total changes   | 98,740,789          | 98,740,789         |
| Opening balance as previously reported                | 98,740,789          | 98,740,789         |
| Adjustments   |                     |                    |
| Correction of errors (Note 40)                        | 912,762,744         | 912,762,744        |
|   | 10,485,504          | 10,485,504         |
| <b>Restated* Balance at July 1, 2017 as restated*</b> |                     |                    |
| Changes in net assets                                 | <b>923,586,465</b>  | <b>923,586,465</b> |
| Surplus for the year                                  |                     |                    |
| Total changes   | 21,963,002          | 21,963,002         |
|   | 21,963,002          | 21,963,002         |
| <b>Balance at June 30, 2018</b>                       |                     |                    |
|   | <b>945,549,467</b>  | <b>945,549,467</b> |
| Note(s)   |                     |                    |

\* See Note 40

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Cash Flow Statement

| Figures in Rand   | Note(s) | 2018                | 2017<br>Restated*   |
|---|---------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                 |         |                     |                     |
| <b>Receipts</b>   |         |                     |                     |
| Taxation  |         | 10,858,755          | 25,064,827          |
| Cash receipts from rate payers and other                    |         | 23,202,185          | 28,322,724          |
| Grants  |         | 255,114,703         | 261,623,232         |
| Interest income   |         | 2,475,497           | 2,071,798           |
|   |         | 291,651,140         | 317,082,581         |
| <b>Payments</b>   |         |                     |                     |
| Employee costs  |         | (119,886,270)       | (105,066,404)       |
| Suppliers   |         | (138,746,980)       | (122,659,136)       |
| Finance costs   |         | (907,022)           | (314,156)           |
|   |         | (259,540,272)       | (228,039,696)       |
| <b>Net cash flows from operating activities</b>             | 35      | <b>32,110,868</b>   | <b>89,042,885</b>   |
| <b>Cash flows from investing activities</b>                 |         |                     |                     |
| Purchase of property, plant and equipment                   | 4       | (60,166,187)        | (76,051,179)        |
| Purchase of investment property                             | 3       | -                   | (205,000)           |
| Purchase of other intangible assets                         | 5       | (156,500)           | -                   |
| <b>Net cash flows from investing activities</b>             |         | <b>(60,322,687)</b> | <b>(76,256,179)</b> |
| <b>Cash flows from financing activities</b>                 |         |                     |                     |
| Repayment of other financial liabilities                    |         | 3,109,390           | (437,812)           |
| Finance lease payments                                      |         | (125,815)           | (122,202)           |
| <b>Net cash flows from financing activities</b>             |         | <b>2,983,575</b>    | <b>(560,014)</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>(25,228,244)</b> | <b>12,226,692</b>   |
| Cash and cash equivalents at the beginning of the year      |         | 41,112,807          | 28,886,115          |
| <b>Cash and cash equivalents at the end of the year</b>     | 12      | <b>15,884,563</b>   | <b>41,112,807</b>   |

\* See Note 40



# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|  | Approved<br>budget   | Adjustments        | Final Budget         | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|--|----------------------|--------------------|----------------------|--|---|-----------|
| Figures in Rand  |                      |                    |                      |  |   |           |
| <b>Statement of Financial Performance</b>  |                      |                    |                      |  |   |           |
| <b>Revenue</b>   |                      |                    |                      |  |   |           |
| <b>Revenue from exchange transactions</b>  |                      |                    |                      |  |   |           |
| Service charges  | 27,800,000           | (1,000,000)        | 26,800,000           | 23,336,476                               | (3,463,524)   |           |
| Rental of facilities and equipment   | 300,000              | -                  | 300,000              | 851,274                                  | 551,274   |           |
| Licences and permits   | 3,668,848            | -                  | 3,668,848            | 3,999,118                                | 330,270   |           |
| Interest received on outstanding debtors   | 595,000              | -                  | 595,000              | 1,860,348                                | 1,265,348   |           |
| Other income   | 14,893,423           | 400,000            | 15,293,423           | 404,271                                  | (14,889,152)  |           |
| Sale of inventory - sites  | -                    | -                  | -                    | 286,962                                  | 286,962   |           |
| Interest received - investment   | 1,500,000            | 100,000            | 1,600,000            | 2,475,497                                | 875,497   |           |
| <b>Total revenue from exchange transactions</b>  | <b>48,757,271</b>    | <b>(500,000)</b>   | <b>48,257,271</b>    | <b>33,213,946</b>                        | <b>(15,043,325)</b>                                 |           |
| <b>Revenue from non-exchange transactions</b>  |                      |                    |                      |  |   |           |
| <b>Taxation revenue</b>  |                      |                    |                      |  |   |           |
| Property rates   | 24,462,882           | -                  | 24,462,882           | 25,289,619                               | 826,737   |           |
| <b>Transfer revenue</b>  |                      |                    |                      |  |   |           |
| Government grants & subsidies  | 244,988,343          | 5,551,779          | 250,540,122          | 256,301,916                              | 5,761,794   |           |
| Fines  | 780,000              | 2,600,000          | 3,380,000            | 3,282,760                                | (97,240)  |           |
| <b>Total revenue from non-exchange transactions</b>  | <b>270,231,225</b>   | <b>8,151,779</b>   | <b>278,383,004</b>   | <b>284,874,295</b>                       | <b>6,491,291</b>                                    |           |
| <b>Total revenue</b>   | <b>318,988,496</b>   | <b>7,651,779</b>   | <b>326,640,275</b>   | <b>318,088,241</b>                       | <b>(8,552,034)</b>                                  |           |
| <b>Expenditure</b>   |                      |                    |                      |  |   |           |
| Personnel  | (101,538,660)        | (1,330,947)        | (102,869,607)        | (100,240,828)                            | 2,628,779   |           |
| Remuneration of councillors  | (17,584,020)         | (1,429,000)        | (19,013,020)         | (19,645,442)                             | (632,422)   |           |
| Depreciation and amortisation  | (35,466,579)         | -                  | (35,466,579)         | (35,270,140)                             | 196,439   |           |
| Finance costs  | -                    | -                  | -                    | (1,413,022)                              | (1,413,022)   |           |
| Debt impairment  | (8,074,410)          | -                  | (8,074,410)          | (2,308,637)                              | 5,765,773   |           |
| Repairs and maintenance  | (5,570,955)          | (640,280)          | (6,211,235)          | (2,437,611)                              | 3,773,624   |           |
| Bulk purchases   | (25,758,000)         | (800,000)          | (26,558,000)         | (30,319,038)                             | (3,761,038)   |           |
| Contracted Services  | (12,000,000)         | (500,000)          | (12,500,000)         | (11,753,062)                             | 746,938   |           |
| General Expenses   | (85,993,951)         | (3,932,925)        | (89,926,876)         | (92,473,975)                             | (2,547,099)   |           |
| <b>Total expenditure</b>   | <b>(291,986,575)</b> | <b>(8,633,152)</b> | <b>(300,619,727)</b> | <b>(295,861,755)</b>                     | <b>4,757,972</b>                                    |           |
| <b>Operating surplus</b>   | <b>68,049,455</b>    | <b>(6,692,872)</b> | <b>61,356,583</b>    | <b>22,158,283</b>                        | <b>(39,198,300)</b>                                 |           |
| Loss on disposal of assets and liabilities   | -                    | -                  | -                    | (754,846)                                | (754,846)   |           |
| Actuarial gains/losses   | -                    | -                  | -                    | 491,362                                  | 491,362   |           |
|  | -                    | -                  | -                    | (263,484)                                | (263,484)   |           |
| <b>Surplus before taxation</b>   | <b>68,049,455</b>    | <b>(6,692,872)</b> | <b>61,356,583</b>    | <b>21,894,799</b>                        | <b>(39,461,784)</b>                                 |           |
| <b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b> | <b>68,049,455</b>    | <b>(6,692,872)</b> | <b>61,356,583</b>    | <b>21,894,799</b>                        | <b>(39,461,784)</b>                                 |           |

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|                 | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|-----------------|--------------------|-------------|--------------|--|---|-----------|
| Figures in Rand |                    |             |              |  |   |           |

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|  | Approved budget      | Adjustments        | Final Budget         | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|--------------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand  |                      |                    |                      |                                    |  |           |
| <b>Statement of Financial Position</b>                         |                      |                    |                      |                                    |  |           |
| <b>Assets</b>  |                      |                    |                      |                                    |  |           |
| <b>Current Assets</b>  |                      |                    |                      |                                    |  |           |
| Inventories  | 1,617,811            | 2,261,157          | 3,878,968            | 6,925,355                          | 3,046,387                                  |           |
| Receivables from exchange transactions                         | 20,319,579           | 57,182,627         | 77,502,206           | 3,694,969                          | (73,807,237)                               |           |
| Receivables from non-exchange transactions                     | -                    | -                  | -                    | 85,780,410                         | 85,780,410                                 |           |
| VAT receivable   | -                    | -                  | -                    | 2,670,202                          | 2,670,202                                  |           |
| Consumer debtors   | (493,119)            | 8,258,125          | 7,765,006            | 8,627,777                          | 862,771                                    |           |
| Cash and cash equivalents                                      | 43,078,960           | 43,345,782         | 86,424,742           | 15,884,563                         | (70,540,179)                               |           |
|  | 64,523,231           | 111,047,691        | 175,570,922          | 123,583,276                        | (51,987,646)                               |           |
| <b>Non-Current Assets</b>                                      |                      |                    |                      |                                    |  |           |
| Investment property  | -                    | 205,000            | 205,000              | 205,000                            | -  |           |
| Property, plant and equipment                                  | 945,282,312          | 102,752            | 945,385,064          | 893,811,968                        | (51,573,096)                               |           |
| Intangible assets  | -                    | -                  | -                    | 232,467                            | 232,467                                    |           |
| Investments  | 3,403,257            | -                  | 3,403,257            | 3,767,074                          | 363,817                                    |           |
|  | 948,685,569          | 307,752            | 948,993,321          | 898,016,509                        | (50,976,812)                               |           |
| <b>Total Assets</b>  | <b>1,013,208,800</b> | <b>111,355,443</b> | <b>1,124,564,243</b> | <b>1,021,599,785</b>               | <b>(102,964,458)</b>                       |           |
| <b>Liabilities</b>   |                      |                    |                      |                                    |  |           |
| <b>Current Liabilities</b>                                     |                      |                    |                      |                                    |  |           |
| Other financial liabilities                                    | -                    | -                  | -                    | 4,748,161                          | 4,748,161                                  |           |
| Finance lease obligation                                       | -                    | -                  | -                    | 468,546                            | 468,546                                    |           |
| Payables from exchange transactions                            | 2,787,618            | 11,638,771         | 14,426,389           | 46,104,568                         | 31,678,179                                 |           |
| Unspent conditional grants and receipts                        | 1,500,000            | 13,869,443         | 15,369,443           | 699,785                            | (14,669,658)                               |           |
| Provisions   | -                    | 7,500,000          | 7,500,000            | 17,780,945                         | 10,280,945                                 |           |
|  | 4,287,618            | 33,008,214         | 37,295,832           | 69,802,005                         | 32,506,173                                 |           |
| <b>Non-Current Liabilities</b>                                 |                      |                    |                      |                                    |  |           |
| Finance lease obligation                                       | -                    | -                  | -                    | 820,102                            | 820,102                                    |           |
| Provisions   | 3,231,400            | 9,136,802          | 12,368,202           | 5,428,211                          | (6,939,991)                                |           |
|  | 3,231,400            | 9,136,802          | 12,368,202           | 6,248,313                          | (6,119,889)                                |           |
| <b>Total Liabilities</b>                                       | <b>7,519,018</b>     | <b>42,145,016</b>  | <b>49,664,034</b>    | <b>76,050,318</b>                  | <b>26,386,284</b>                          |           |
| <b>Net Assets</b>  | <b>1,005,689,782</b> | <b>69,210,427</b>  | <b>1,074,900,209</b> | <b>945,549,467</b>                 | <b>(129,350,742)</b>                       |           |
| <b>Net Assets</b>  |                      |                    |                      |                                    |  |           |
| <b>Net Assets Attributable to Owners of Controlling Entity</b> |                      |                    |                      |                                    |  |           |
| <b>Reserves</b>  |                      |                    |                      |                                    |  |           |
| Accumulated surplus  | 1,005,689,782        | 69,210,427         | 1,074,900,209        | 945,549,467                        | (129,350,742)                              |           |

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Comparative figures

Budget information in accordance with GRAP 1 and 24 has been provided in the statement of comparison of the budget and actual and forms part of the financial statements.

When the presentation or classification of the items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the classification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in the accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. The municipality's material variance is considered when there is a 6% deviation from the budget and actual.

#### Available-for-sale financial assets

The municipality follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the municipality evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If all of the declines in fair value below cost were considered significant or prolonged, the municipality would suffer an additional deficit of - in its 2018 annual financial statements, being a reclassification adjustment of the fair value adjustments previously recognised in other comprehensive income and accumulated in equity on the impaired available-for-sale financial assets to surplus or deficit.

#### 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Accounting Policies

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### 1.4 Investment property (continued)

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

### 1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost except land which is carried at Revaluation in line with the valuation roll. The Revaluation is performed every 5 years

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Accounting Policies

### 1.5 Property, plant and equipment (continued)

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

| Item                                | Depreciation method | Average useful life |
|-------------------------------------|---------------------|---------------------|
| Infrastructure                      |                     | 5 - 60              |
| Roads and paving                    |                     | 5 - 50              |
| Concrete                            |                     | 5 - 80              |
| Electricity                         |                     | 5 - 50              |
| Water                               |                     | 5 - 50              |
| Sewerage                            |                     | 10 - 50             |
| Buildings                           |                     | 5 - 50              |
| Recreational facilities             |                     | 5 - 50              |
| Security                            |                     | 5 - 50              |
| Halls                               |                     | 5 - 50              |
| Libraries                           |                     | 5 - 50              |
| Parks and gardens                   |                     | 5 - 50              |
| Other assets                        |                     | 5 - 50              |
| Other property, plant and equipment |                     | 5 - 50              |

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2018

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

|                                    |         |
|------------------------------------|---------|
| Buildings                          | 5 - 50  |
| Specialist vehicles                | 5 - 15  |
| Office equipment                   | 5 - 10  |
| Furniture and fittings             | 5 - 7   |
| Other vehicles                     | 5 - 15  |
| Bins and Containers                | 10 - 20 |
| Specialised past and equipment     | 5 - 10  |
| Other items of plant and equipment | 5 - 15  |
| Quarries                           | 5 - 15  |
| Emergency equipment                | 5 - 10  |
| Heritage assets                    | 5 - 50  |
| Buildings                          | 5 - 50  |
| Paintings and artifacts            | 5 - 50  |

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as change in the accounting estimate..

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

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

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2018

## Accounting Policies

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### 1.6 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

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| Item               | Depreciation method | Average useful life |
|--------------------|---------------------|---------------------|
| Computer softwares | Straight line       | 5 years             |

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Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.7 Investments

The municipality recognise investments at fair value. Interest on investments are recognised on statement of financial performance.

### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:



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### 1.8 Financial instruments (continued)

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

- cash and cash equivalent;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or

# Blouberg Local Municipality

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### 1.8 Financial instruments (continued)

- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

### 1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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### 1.9 Inventories (continued)

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

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.10 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### 1.11 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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## Accounting Policies

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### 1.11 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and

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### 1.11 Provisions and contingencies (continued)

- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.12 Capital Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.13 Revenue from exchange transactions

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

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

#### Measurement

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

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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### 1.13 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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## Accounting Policies

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### 1.14 Revenue from non-exchange transactions (continued)

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

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### 1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.17 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.



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### 1.19 Irregular expenditure (continued)

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.20 Budget information

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

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2017-07-01 to 2018-06-30.

The budget for the economic entity includes all the entities approved budgets under its control.

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

### 1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

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### **1.22 Events after reporting date**

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

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

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

### **1.23 VAT**

VAT is accounted for on accrual basis in the financial records

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## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

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

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2018 or later periods:

| Standard/ Interpretation:  | Effective date:<br>Years beginning on or<br>after | Expected impact:                         |
|--|---|--|
| • GRAP 34: Separate Financial Statements   | April 1, 2009                                     | Unlikely there will be a material impact |
| • GRAP 35: Consolidated Financial Statements   | April 1, 2009                                     | Unlikely there will be a material impact |
| • GRAP 36: Investments in Associates and Joint Ventures  | April 1, 2009                                     | Unlikely there will be a material impact |
| • GRAP 37: Joint Arrangements  | April 1, 2009                                     | Unlikely there will be a material impact |
| • GRAP 38: Disclosure of Interests in Other Entities   | April 1, 2009                                     | Unlikely there will be a material impact |
| • Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme                         | April 1, 2009                                     | Unlikely there will be a material impact |
| • GRAP 110: Living and Non-living Resources  | April 1, 2020                                     | Unlikely there will be a material impact |
| • GRAP 110 (as amended 2016): Living and Non-living Resources  | April 1, 2020                                     | Unlikely there will be a material impact |
| • GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements                                       | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 7 (as revised 2010): Investments in Associates  | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 8 (as revised 2010): Interests in Joint Ventures  | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 18 (as amended 2016): Segment Reporting   | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 20: Related parties   | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 32: Service Concession Arrangements: Grantor  | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 105: Transfers of functions between entities under common control   | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 106 (as amended 2016): Transfers of functions between entities not under common control                   | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 107: Mergers  | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 108: Statutory Receivables  | April 1, 2019                                     | Unlikely there will be a material impact |
| • GRAP 109: Accounting by Principals and Agents  | April 1, 2019                                     | Unlikely there will be a material impact |
| • IGRAP 11: Consolidation – Special purpose entities   | April 1, 2019                                     | Unlikely there will be a material impact |
| • IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures                                 | April 1, 2019                                     | Unlikely there will be a material impact |
| • IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset | April 1, 2019                                     | Unlikely there will be a material impact |

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## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

|   |               |  |
|---|---------------|--|
| • IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land | April 1, 2019 | Unlikely there will be a material impact |
| • IGRAP 19: Liabilities to Pay Levies   | April 1, 2019 | Unlikely there will be a material impact |
| • GRAP 12 (as amended 2016): Inventories  | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 16 (as amended 2016): Investment Property  | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 17 (as amended 2016): Property, Plant and Equipment                                  | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 21 (as amended 2016): Impairment of non-cash-generating assets                       | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 26 (as amended 2016): Impairment of cash-generating assets                           | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 27 (as amended 2016): Agriculture  | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 31 (as amended 2016): Intangible Assets  | April 1, 2018 | Unlikely there will be a material impact |
| • GRAP 103 (as amended 2016): Heritage Assets   | April 1, 2018 | Unlikely there will be a material impact |
| • Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities      | April 1, 2018 | Unlikely there will be a material impact |

### 3. Investment property

|                     | 2018             |   |                | 2017             |   |                |
|---------------------|------------------|---|----------------|------------------|---|----------------|
|                     | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 205,000          | -   | 205,000        | 205,000          | -   | 205,000        |

#### Reconciliation of investment property - 2018

|                     | Opening balance | Total   |
|---------------------|-----------------|---------|
| Investment property | 205,000         | 205,000 |

### 4. Property, plant and equipment

|                        | 2018                 |   |                    | 2017                 |   |                    |
|------------------------|----------------------|---|--------------------|----------------------|---|--------------------|
|                        | Cost / Valuation     | Accumulated depreciation and accumulated impairment | Carrying value     | Cost / Valuation     | Accumulated depreciation and accumulated impairment | Carrying value     |
| Land and Buildings     | 50,612,247           | (18,998,405)  | 31,613,842         | 50,568,003           | (17,416,045)  | 33,151,958         |
| Infrastructure         | 1,009,553,575        | (352,408,383)                                       | 657,145,192        | 981,269,444          | (329,805,452)                                       | 651,463,992        |
| Community Assets       | 196,920,919          | (39,327,903)  | 157,593,016        | 187,859,504          | (36,076,145)  | 151,783,359        |
| Other Assets           | 36,740,346           | (17,978,206)  | 18,762,140         | 32,520,673           | (15,374,060)  | 17,146,613         |
| WIP - Community Assets | 18,513,726           | -   | 18,513,726         | 13,173,563           | -   | 13,173,563         |
| WIP - Infrastructure   | 10,184,052           | -   | 10,184,052         | 3,170,839            | -   | 3,170,839          |
| <b>Total</b>           | <b>1,322,524,865</b> | <b>(428,712,897)</b>                                | <b>893,811,968</b> | <b>1,268,562,026</b> | <b>(398,671,702)</b>                                | <b>869,890,324</b> |

# Blouberg Local Municipality

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### 4. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2018

|                        | Opening balance    | Additions         | Disposals        | Transfers received | Depreciation        | Impairment loss  | Total            |
|------------------------|--------------------|-------------------|------------------|--------------------|---------------------|------------------|------------------|
| Land and Buildings     | 33,151,958         | 44,244            | -                | -                  | (1,582,360)         | -                | 31,613,8         |
| Infrastructure         | 651,463,992        | 27,005,281        | -                | 1,278,850          | (22,356,065)        | (246,866)        | 657,145,1        |
| Community              | 151,783,359        | 11,300,833        | -                | 1,437,778          | (6,928,954)         | -                | 157,593,0        |
| Other Assets           | 17,146,613         | 6,745,825         | (754,846)        | -                  | (4,375,452)         | -                | 18,762,1         |
| WIP - Community assets | 13,173,563         | 6,777,941         | -                | (1,437,778)        | -                   | -                | 18,513,7         |
| WIP - Infrastructure   | 3,170,839          | 8,292,063         | -                | (1,278,850)        | -                   | -                | 10,184,0         |
|                        | <b>869,890,324</b> | <b>60,166,187</b> | <b>(754,846)</b> | <b>-</b>           | <b>(35,242,831)</b> | <b>(246,866)</b> | <b>893,811,9</b> |

#### Reconciliation of property, plant and equipment - 2017

|                      | Opening balance    | Additions         | Transfers received | Depreciation        | Total              |
|----------------------|--------------------|-------------------|--------------------|---------------------|--------------------|
| Land and Buildings   | 34,192,026         | 750,000           | (205,000)          | (1,581,269)         | 33,151,958         |
| Infrastructure       | 628,062,324        | 44,998,103        | -                  | (21,596,435)        | 651,463,992        |
| Community            | 135,913,454        | 22,364,528        | -                  | (6,494,623)         | 151,783,359        |
| Other Assets         | 11,443,889         | 4,706,750         | 5,022,322          | (4,026,348)         | 17,146,613         |
| WIP Community Assets | -                  | 13,173,563        | -                  | -                   | 13,173,563         |
| WIP Infrastructure   | 1,068,814          | 2,102,025         | -                  | -                   | 3,170,839          |
|                      | <b>810,680,507</b> | <b>88,094,969</b> | <b>4,817,322</b>   | <b>(33,698,675)</b> | <b>869,890,324</b> |

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

For land stated at R8 366 290 the Municipality does not have individual title deeds but has one title deed which covers the whole areas. The Municipality is currently in the process of changing the title deed to sub-divide and exclude properties that have been sold to private people.

The amount for land disclosed above is for land that still belong to the Municipality. This figure include R205 000 that have been classified as investment property

### 5. Intangible assets

|                          | 2018             |   |                | 2017             |   |                |
|--------------------------|------------------|---|----------------|------------------|---|----------------|
|                          | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 292,744          | (60,277)  | 232,467        | 136,244          | (33,492)  | 102,752        |

#### Reconciliation of intangible assets - 2018

|                          | Opening balance | Additions | Amortisation | Total   |
|--------------------------|-----------------|-----------|--------------|---------|
| Computer software, other | 102,752         | 156,500   | (26,785)     | 232,467 |

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### 5. Intangible assets (continued)

#### Reconciliation of intangible assets - 2017

|                          | Opening<br>balance | Amortisation | Total   |
|--------------------------|--------------------|--------------|---------|
| Computer software, other | 130,001            | (27,249)     | 102,752 |

### 6. Investments

| Name of company | Held by               | %<br>holding<br>2018 | %<br>holding<br>2017 | Carrying<br>amount 2018 | Carrying<br>amount 2017 |
|-----------------|-----------------------|----------------------|----------------------|-------------------------|-------------------------|
| Absa Bank       | Blouberg Municipality | - %                  | - %                  | 3,767,074               | 3,092,529               |

The Municipality investment relate to a fixed deposit held at ABSA as ESKOM Guarantee to an amount of R3 079 000 as at 30 June 2018. The municipality does not have access to the account, only receives interest on the investment. During the year an amount of R207 827 interest was earned from the investment.

### 7. Inventories

|                   |                  |                  |
|-------------------|------------------|------------------|
| Inventory sites   | 4,714,000        | 3,002,000        |
| Consumable stores | 2,211,355        | 877,157          |
|                   | <b>6,925,355</b> | <b>3,879,157</b> |

The balance for inventory is made up of Consumable materials and vacant land sites. No Inventory was pledged as security.

### 8. Receivables from exchange transactions

|   |                  |                |
|---|------------------|----------------|
| Other receivables - prepaid electricity | 512,757          | 256,379        |
| Other receivables - CDM                 | 1,837,427        | 123,774        |
| Debtor : Other                          | 1,344,785        | 721            |
|   | <b>3,694,969</b> | <b>380,874</b> |

### 9. Receivables from non-exchange transactions

|   |                   |                   |
|---|-------------------|-------------------|
| Traffic Fines                               | 1,890,365         | 657,043           |
| Other receivable- Senior Managers           | 1,560,101         | 234,109           |
| Other receivables from non-exchange revenue | 904,050           | 1,442,749         |
| Rates                                       | 81,425,894        | 60,189,115        |
|   | <b>85,780,410</b> | <b>62,523,016</b> |

Included in the Traffic fines receivable there is a reversal of provision for impairment for 2018 of R3 228 718.52 (impairment recognised 2017: R4 999 143). Included also is a debt write off of R3 414 901.25

Included in the property rates receivable there is a reversal of provision for impairment for 2018 of R13 877 688 (impairment recognised 2017: R27 673 923). Included also is a debt write off of R8 431 140.

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| <b>9. Receivables from non-exchange transactions (continued)</b>                                |                     |                     |
| <b>Receivables from non-exchange transactions</b>   |                     |                     |
| The ageing of these receivables is as follows:  |                     |                     |
| Rates   | -                   | -                   |
| Current (0 - 30 days)   | 182,638             | 722,244             |
| 31 - 60 days  | 180,204             | 681,911             |
| 61 - 90 days  | 176,188             | 312,328             |
| 91 - 120 days   | 265,756             | 291,948             |
| 121 - 365 days  | 20,166,760          | 84,088,653          |
| > 365 days  | 59,748,310          | -                   |
| Traffic fines   | -                   | -                   |
| Current (0 - 30 days)   | 359,400             | 95,750              |
| 31 - 60 days  | 235,950             | 127,700             |
| 61 - 90 days  | 174,100             | 185,500             |
| 91 - 120 days   | 137,400             | 107,150             |
| 121 - 365 days  | 6,390,283           | 5,528,815           |
| <b>Reconciliation of provision for impairment of receivables from non-exchange transactions</b> |                     |                     |
| Opening balance   | (32,679,719)        | (36,848,697)        |
| Provision for impairment  | 17,106,407          | 4,168,978           |
|   | <b>(15,573,312)</b> | <b>(32,679,719)</b> |
| <b>10. VAT receivable</b>   |                     |                     |
| Vat   | 2,670,202           | 4,781,810           |
| <b>11. Consumer debtors</b>   |                     |                     |
| <b>Gross balances</b>   |                     |                     |
| Electricity   | 7,149,042           | 5,284,967           |
| Refuse  | 617,499             | 1,428,839           |
| Debtors : Interest  | 3,987,615           | 3,557,889           |
| Debtors : Vat on Services   | 1,233,551           | 2,011,486           |
| Debtors Other   | 1,427,640           | 1,613,985           |
|   | <b>14,415,347</b>   | <b>13,897,166</b>   |
| <b>Less: Allowance for impairment</b>   |                     |                     |
| Electricity   | (3,908,963)         | (2,732,097)         |
| Refuse  | (7,492)             | (1,069,523)         |
| Interest  | (926,560)           | (858,241)           |
| Debtors other   | (944,555)           | (979,180)           |
|   | <b>(5,787,570)</b>  | <b>(5,639,041)</b>  |
| <b>Net balance</b>  |                     |                     |
| Electricity   | 3,240,079           | 2,552,870           |
| Refuse  | 610,007             | 359,316             |
| Debtors : interest  | 3,061,055           | 2,699,648           |
| Debtors : Vat on Services   | 1,233,551           | 2,011,486           |
| Debtors other   | 483,085             | 634,805             |
|   | <b>8,627,777</b>    | <b>8,258,125</b>    |

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Annual Financial Statements for the year ended June 30, 2018

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|---|--------------------|--------------------|
| <b>11. Consumer debtors (continued)</b>           |                    |                    |
| <b>Electricity</b>                                |                    |                    |
| Current (0 -30 days)                              |                    |                    |
| 31 - 60 days                                      | 316,002            | 133,362            |
| 61 - 90 days                                      | 475,644            | 490,072            |
| 91 - 120 days                                     | 242,929            | 421,282            |
| 121 - 365 days                                    | 340,200            | 155,560            |
| > 365 days  | 2,413,478          | 4,084,692          |
|   | 3,302,446          | -                  |
|   | <b>7,090,699</b>   | <b>5,284,968</b>   |
| <b>Refuse</b>                                     |                    |                    |
| Current (0 -30 days)                              |                    |                    |
| 31 - 60 days                                      | 35,580             | 29,788             |
| 61 - 90 days                                      | 34,779             | 28,815             |
| 91 - 120 days                                     | 33,505             | 27,646             |
| 121 - 365 days                                    | 33,022             | 26,798             |
| > 365 days  | 177,184            | 1,286,276          |
|   | 338,771            | -                  |
|   | <b>652,841</b>     | <b>1,399,323</b>   |
| <b>Other services</b>                             |                    |                    |
| Current (0 -30 days)                              |                    |                    |
| 31 - 60 days                                      | 19,829             | 19,729             |
| 61 - 90 days                                      | 19,691             | 19,319             |
| 91 - 120 days                                     | 19,690             | 19,203             |
| 121 - 365 days                                    | 19,569             | -                  |
| > 365 days  | 148,059            | 723,910            |
|   | 1,168,922          | -                  |
|   | <b>1,395,760</b>   | <b>782,161</b>     |
| <b>Reconciliation of allowance for impairment</b> |                    |                    |
| Balance at beginning of the year                  | (5,975,408)        | (5,059,292)        |
| Contributions to allowance                        | (603,491)          | (579,749)          |
|   | <b>(6,578,899)</b> | <b>(5,639,041)</b> |

## 12. Cash and cash equivalents

Cash and cash equivalents consist of:

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Cash on hand          | 638               | 836               |
| Bank balances         | 15,883,925        | 31,017,318        |
| Short-term Investment | -                 | 10,094,653        |
|                       | <b>15,884,563</b> | <b>41,112,807</b> |

The municipality had the following bank accounts

| Account number / description               | Bank statement balances |                   |                   | Cash book balances |                   |                   |
|--|-------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|  | June 30, 2018           | June 30, 2017     | June 30, 2016     | June 30, 2018      | June 30, 2017     | June 30, 2016     |
| ABSA BANK - Current Account - 11 5016 9476 | 14,283,400              | 30,769,967        | 28,839,516        | 14,275,810         | 30,769,967        | 28,841,238        |
| ABSA BANK - Current Account - 40 5735 0474 | 1,308,114               | 247,351           | 44,533            | 1,308,114          | 247,351           | 44,877            |
| <b>Total</b>                               | <b>15,591,514</b>       | <b>31,017,318</b> | <b>28,884,049</b> | <b>15,583,924</b>  | <b>31,017,318</b> | <b>28,886,115</b> |



# Blouberg Local Municipality

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|--|------------------|---------------|
| <b>13. Finance lease obligation</b>                |                  |               |
| <b>Minimum lease payments due</b>                  |                  |               |
| - within one year                                  | 576,322          | 73,679        |
| - between second to fifth year inclusive           | 889,927          | -             |
|  | 1,466,249        | 73,679        |
| less: future finance charges                       | (177,601)        | (3,764)       |
| <b>Present value of minimum lease payments</b>     | <b>1,288,648</b> | <b>69,915</b> |
| <b>Present value of minimum lease payments due</b> |                  |               |
| - within one year                                  | 468,546          | 69,915        |
| - between second to fifth year inclusive           | 820,102          | -             |
|  | 1,288,648        | 69,915        |
| Non-current liabilities                            | 820,102          | -             |
| Current liabilities                                | 468,546          | 107,319       |
|  | 1,288,648        | 107,319       |

It is the municipality policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 3 years and the average effective borrowing rate was 10% (2017: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

### Defaults and breaches

In the current financial year the municipality never defaulted and/or breached any terms and conditions of the lease contract.

### Market risk

The carrying amounts of finance lease liabilities are denominated in the following currencies:

|      |           |        |
|------|-----------|--------|
| Rand | 1,288,648 | 69,915 |
|------|-----------|--------|

For details of sensitivity of exposures to market risk related to finance lease liabilities, as well as liquidity risk refer to note 41.

The fair value of finance lease liabilities approximates their carrying amounts.

### 14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

|  |         |           |
|--|---------|-----------|
| <b>Unspent conditional grants and receipts</b> |         |           |
| CDM and NSF Grant                              | 699,785 | 420,415   |
| Municipal Infrastructure Grant (MIG)           | -       | 2,532,525 |
| Municipal Demarcation Transition Grant (MDTG)  | -       | 4,071,319 |
|  | 699,785 | 7,024,259 |

### Movement during the year

|                         |         |           |
|-------------------------|---------|-----------|
| Non-current liabilities | -       | -         |
| Current liabilities     | 699,785 | 7,024,259 |
|                         | 699,785 | 7,024,259 |

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### 14. Unspent conditional grants and receipts (continued)

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 25 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

### 15. Other financial liabilities

#### At amortised cost

AllDays Services : Unallocate

Terms and conditions

4,748,161

1,638,771

#### Current liabilities

At amortised cost

4,748,161

1,638,771

# Blouberg Local Municipality

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## Notes to the Annual Financial Statements

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### 16. Provisions

#### Reconciliation of provisions - 2018

|                                   | Opening<br>Balance | Additions        | Utilised<br>during the<br>year | Reversed<br>during the<br>year | Change in<br>discount<br>factor | Total             |
|-----------------------------------|--------------------|------------------|--------------------------------|--------------------------------|---------------------------------|-------------------|
| Environmental rehabilitation      | 7,737,802          | 476,529          | -                              | -                              | 840,784                         | 9,055,115         |
| Provision for leave               | 7,335,364          | 2,568,743        | (1,178,277)                    | -                              | -                               | 8,725,830         |
| Provision for long-service awards | 4,911,000          | 507,000          | (321,287)                      | 506,000                        | (491,362)                       | 5,111,351         |
| Provision for performance bonus   | 866,033            | -                | -                              | (549,172)                      | -                               | 316,861           |
|                                   | <b>20,850,199</b>  | <b>3,552,272</b> | <b>(1,499,564)</b>             | <b>(43,172)</b>                | <b>349,422</b>                  | <b>23,209,157</b> |

#### Reconciliation of provisions - 2017

|   | Opening<br>Balance | Additions        | Utilised<br>during the<br>year | Reversed<br>during the<br>year | Change in<br>discount<br>factor | Total             |
|---|--------------------|------------------|--------------------------------|--------------------------------|---------------------------------|-------------------|
| Provision for restoration cost for<br>landfill site | 9,661,667          | 2,479,884        | (4,403,749)                    | -                              | -                               | 7,737,802         |
| Provision for leave                                 | 6,543,396          | -                | 791,968                        | -                              | -                               | 7,335,364         |
| Provision for long-service awards                   | 3,353,505          | 379,495          | (403,000)                      | 1,292,000                      | 289,000                         | 4,911,000         |
| Provision for performance bonus                     | 702,064            | -                | 163,969                        | -                              | -                               | 866,033           |
| <b>Total Provisions</b>                             | <b>20,260,632</b>  | <b>2,859,379</b> | <b>(3,850,812)</b>             | <b>1,292,000</b>               | <b>289,000</b>                  | <b>20,850,199</b> |
| Non-current liabilities                             |                    |                  |                                |                                | 5,428,212                       | 12,367,802        |
| Current liabilities                                 |                    |                  |                                |                                | 17,780,945                      | 8,482,397         |
|   |                    |                  |                                |                                | <b>23,209,157</b>               | <b>20,850,199</b> |

The provision represents management's best estimate of the municipality's liability based on the experience and knowledge.

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### 16. Provisions (continued)

Provision is made for employees who are having leave credit at the end of the financial period and is provided up to 48 days in terms of SALBC agreement. The leave provision is calculated by taking the total basic salary divide by number of working days per year multiply by the number of days unused/remaining.

#### Provision for performance bonus

Performance bonus is the benefit paid to the executive management after performance assessment are being done and expectations or targets are met. Performance bonus is calculated at 14% of the total package.

#### Provision for long -service awards

The employees of Blouberg qualifies for the following long service award additional leave for various periods of uninterrupted service

- 10 years uninterrupted service: 10 working day's leave
- 15 years uninterrupted service: 20 working day's leave
- 20 years uninterrupted service: 30 working day's leave
- 25 years uninterrupted service : 30 working day's leave
- 30 years uninterrupted service: 30 working day's leave
- 35 years uninterrupted service: 35 working day's leave
- 40 years uninterrupted service: 30 working day's leave
- 45 years uninterrupted service: 30 working day's leave

The Long Service Awards are defined benefit plans. As at year end 30 June 2018 195 (2017:194) employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability as at 30 June 2018 is estimated at R5 111 351 (2017: R4 911 000). The current cost for the year ending 30 June 2018 is estimated at R507 000 (2017: R379 000).

Key actuarial assumptions used

#### Rate of interest

|  |       |       |
|--|-------|-------|
| Discount rate  | 8.62% | 8.89% |
| General salary inflation ( long term)                          | 6.21% | 7.56% |
| Nett Effective Discount Rate applied to Long Service Bonussess | 2.27% | 1.25% |

The amounts recognised in the statement of the financial position are as follows:

#### Present Value of fund obligation

Reconciliation of present value of fund obligation:

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Present value of fund obligation | -                | -                |
| Current service costs            | 4,911,000        | 3,354,000        |
| Interest costs                   | 507,000          | 379,000          |
| Benefits paid                    | 506,000          | 289,000          |
| Actuarial (gains) losses         | (321,287)        | (403,000)        |
|                                  | (491,362)        | 1,292,000        |
| <b>Balance as at 30 June</b>     | <b>5,111,351</b> | <b>4,911,000</b> |

#### Present value

|         |                  |                  |
|---------|------------------|------------------|
| Balance | 5,111,351        | 4,911,000        |
|         | <b>5,111,351</b> | <b>4,911,000</b> |

#### Environmental rehabilitation provision

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### 16. Provisions (continued)

The Alldays and Senwabarwana Land fill sites are permitted facilities in terms of section 20 of environmental conservation Act 73 of 1989. The provision for rehabilitation of landfill sites relate to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation discounted at 10%, which is the Prime rate as at June 2018. Both landfill sites are expected to be in operation for a period of 6 years from July 2018.

### 17. Payables from exchange transactions

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Trade payables               | 13,051,747        | 13,108,447        |
| Payments received in advance | 3,705,736         | 3,568,251         |
| Retentions                   | 14,867,764        | 14,637,345        |
| 13th cheque provision        | 2,018,754         | 1,752,054         |
| Prepaid electricity accrual  | 363,675           | 363,675           |
| Liability - vat on debtors   | 2,637,516         | 2,011,486         |
| Sale of stands deposits      | 1,045,489         | 1,045,489         |
| Other Creditors              | 4,010,137         | 128,883           |
| Landfill site                | 4,403,749         | 4,403,749         |
|                              | <b>46,104,567</b> | <b>41,019,379</b> |

Included in Payables from exchange transactions is the amount of R864 769 relating to monies paid by customers for the sale of stands. Once ownership has been transferred to customers, a reallocation will be made from Payables to sale of stands in the statement of financial performance thereby realising the revenue from sale of stands.

### 18. Revenue

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Service charges                       | 23,336,476         | 20,947,600         |
| Rental of facilities and equipment    | 851,274            | 1,046,139          |
| Licences and permits                  | 3,999,118          | 3,488,749          |
| Interest on Outstanding Debtors       | 1,860,348          | 1,961,446          |
| Other income - refer to note 21       | 404,271            | 1,249,854          |
| Other income - Sale of Property sites | 286,962            | 317,321            |
| Interest received - investment        | 2,475,497          | 2,071,798          |
| Property rates                        | 25,289,619         | 25,064,827         |
| Government grants & subsidies         | 256,301,916        | 261,623,232        |
| Fines                                 | 3,282,760          | 1,273,061          |
|                                       | <b>318,088,241</b> | <b>319,044,027</b> |

The amount included in revenue arising from exchanges of goods or services are as follows:

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Service charges                       | 23,336,476        | 20,947,600        |
| Rental of facilities and equipment    | 851,274           | 1,046,139         |
| Licences and permits                  | 3,999,118         | 3,488,749         |
| Interest on Outstanding Debtors       | 1,860,348         | 1,961,446         |
| Other income                          | 404,271           | 1,249,854         |
| Other income - Sale of Property sites | 286,962           | 317,321           |
| Interest received - investment        | 2,475,497         | 2,071,798         |
|                                       | <b>33,213,946</b> | <b>31,082,907</b> |

The amount included in revenue arising from non-exchange transactions is as follows:

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| <b>Taxation revenue</b>       |                    |                    |
| Property rates                | 25,289,619         | 25,064,827         |
| <b>Transfer Revenue</b>       |                    |                    |
| Government grants & subsidies | 256,301,916        | 261,623,232        |
| Fines                         | 3,282,760          | 1,273,061          |
|                               | <b>284,874,295</b> | <b>287,961,120</b> |

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## Notes to the Annual Financial Statements

| Figures in Rand                                   | 2018              | 2017              |
|---|-------------------|-------------------|
| <b>19. Service charges</b>                        |                   |                   |
| Service charges                                   | -                 | 4,486             |
| Sale of electricity                               | 22,909,644        | 18,567,374        |
| Sale of water                                     | -                 | 1,367,431         |
| Sewerage and sanitation charges                   | 177,853           | 594,491           |
| Refuse removal                                    | 248,979           | 413,818           |
|   | <b>23,336,476</b> | <b>20,947,600</b> |
| <b>20. Rental of facilities and equipment</b>     |                   |                   |
| <b>Facilities and equipment</b>                   |                   |                   |
| Rental of facilities                              | 851,274           | 1,046,139         |
| <b>21. Other revenue</b>                          |                   |                   |
| Other income - CDM commission & Interest received | 1,860,348         | 1,961,446         |
| Other income - refer note 22                      | 404,271           | 1,249,854         |
| Other income - Sale of property                   | 286,962           | 317,321           |
|   | <b>2,551,581</b>  | <b>3,528,621</b>  |
| <b>22. Other income</b>                           |                   |                   |
| Building plans                                    | 194,597           | 62,490            |
| Tender documents                                  | 161,600           | 155,427           |
| LGSETA Refund capacity building                   | -                 | 362,268           |
| Connection fees                                   | 17,768            | 129,923           |
| Cattle pound                                      | -                 | 45,732            |
| Advertisement                                     | 9,924             | -                 |
| Billboards  | -                 | 17,153            |
| Burial fees                                       | -                 | 14,735            |
| Hawkers fees                                      | -                 | 210               |
| Logbook & carports                                | -                 | 4,245             |
| Other income                                      | -                 | 442,323           |
| Photo copies                                      | 20,382            | 15,348            |
|   | <b>404,271</b>    | <b>1,249,854</b>  |
| <b>23. Interest received - investment</b>         |                   |                   |
| <b>Interest revenue</b>                           |                   |                   |
| Bank  | -                 | 1,429,797         |
| Investments                                       | 2,475,497         | 642,001           |
|   | <b>2,475,497</b>  | <b>2,071,798</b>  |

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| Figures in Rand           | 2018                 | 2017                 |
|---------------------------|----------------------|----------------------|
| <b>24. Property rates</b> |                      |                      |
| <b>Rates received</b>     |                      |                      |
| Residential               | 492,571              | 25,064,827           |
| Commercial                | 7,182,576            | -                    |
| State                     | 18,845,351           | -                    |
| Small holdings and farms  | 21,563               | -                    |
| Heavy industries          | (1,252,442)          | -                    |
|                           | <b>25,289,619</b>    | <b>25,064,827</b>    |
| <b>Valuations</b>         |                      |                      |
| Residential               | 467,408,820          | 433,672,820          |
| Commercial                | 362,313,000          | 331,652,256          |
| State                     | 376,160,000          | 597,705,200          |
| Municipal                 | 54,244,200           | -                    |
| Other                     | 5,620,500            | 5,386,400            |
| Small Holdings and farms  | 3,199,802,565        | 3,097,133,409        |
|                           | <b>4,465,549,085</b> | <b>4,465,550,085</b> |

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2018

## Notes to the Annual Financial Statements

| Figures in Rand  | 2018               | 2017               |
|--|--------------------|--------------------|
| <b>25. Government grants and subsidies</b>   |                    |                    |
| <b>Operating grants</b>  |                    |                    |
| Equitable share  | 161,115,187        | 155,297,000        |
| Financial Management Grant (FMG)   | 2,533,000          | 2,433,000          |
| Municipal Demacation Transition Gran (MDTG)  | 3,044,000          | 4,053,681          |
| Expanded Public Works Programme (EPWP)   | 1,562,000          | 1,808,000          |
| CDM Grant  | 5,137,263          | 3,082,738          |
| National Skills Fund Grant (NSFG)  | 25,855,950         | 19,272,338         |
|  | <b>199,247,400</b> | <b>185,946,757</b> |
| <b>Capital grants</b>  |                    |                    |
| Municipal Infrastructure Grant (MIG)   | 46,554,516         | 66,676,475         |
| Municipal Electrification (DME)  | 10,500,000         | 9,000,000          |
|  | <b>57,054,516</b>  | <b>75,676,475</b>  |
|  | <b>256,301,916</b> | <b>261,623,232</b> |
| <b>Equitable Share</b>   |                    |                    |
| In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. |                    |                    |
| <b>Financial Management Grant FMG</b>  |                    |                    |
| Current-year receipts  | 2,533,000          | 2,433,000          |
| Conditions met - transferred to revenue  | (2,533,000)        | (2,433,000)        |
|  | -                  | -                  |
| <b>Municipal Demacation Transition Grant(MDTG)</b>   |                    |                    |
| Balance unspent at beginning of the year   | 4,071,319          | -                  |
| Current-year receipts  | 3,044,000          | 8,125,000          |
| Conditions met - transferred to revenue  | (3,044,000)        | (4,053,681)        |
| Withheld by National Treasury through equitable share  | (4,071,319)        | -                  |
|  | -                  | <b>4,071,319</b>   |
| Conditions still to be met - remain liabilities (see note 14).   |                    |                    |
| <b>Expanded Public Works Programme</b>   |                    |                    |
| Current-year receipts  | 1,562,000          | 1,808,000          |
| Conditions met - transferred to revenue  | (1,562,000)        | (1,808,000)        |
|  | -                  | -                  |
| <b>CDM</b>   |                    |                    |
| Balance unspent at beginning of the year   | 167,262            | 1,000,000          |
| Current-year receipts  | 4,970,000          | 2,250,000          |
| Conditions met - transferred to revenue  | (5,137,262)        | (3,082,738)        |
|  | -                  | <b>167,262</b>     |

Conditions still to be met - remain liabilities (see note 14).

### National Skills Fund Grant



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### Notes to the Annual Financial Statements

| Figures in Rand  | 2018           | 2017           |
|--|----------------|----------------|
| <b>25. Government grants and subsidies (continued)</b> |                |                |
| Balance unspent at beginning of the year               | 253,153        | -              |
| Current-year receipts                                  | 26,302,583     | 19,525,490     |
| Conditions met - transferred to revenue                | (25,855,950)   | (19,272,337)   |
|  | <b>699,786</b> | <b>253,153</b> |

Conditions still to be met - remain liabilities (see note 14).

#### INEP

|   |              |             |
|---|--------------|-------------|
| Current-year receipts                   | 10,500,000   | 9,000,000   |
| Conditions met - transferred to revenue | (10,500,000) | (9,000,000) |
|   | -            | -           |

#### Municipal infrastructure Grant ( MIG)

|   |              |                  |
|---|--------------|------------------|
| Balance unspent at beginning of year                  | 2,532,525    | 24,828,000       |
| Current-year receipts                                 | 45,090,000   | 44,381,000       |
| Conditions met - transferred to revenue               | (46,554,516) | (66,676,475)     |
| Withheld by National Treasury through equitable share | (1,068,009)  | -                |
|   | -            | <b>2,532,525</b> |

Conditions still to be met - remain liabilities (see note 14).

# Blouberg Local Municipality

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Annual Financial Statements for the year ended June 30, 2018

## Notes to the Annual Financial Statements

| Figures in Rand  | 2018               | 2017              |
|--|--------------------|-------------------|
| <b>26. Employee related costs</b>                                  |                    |                   |
| Basic  | 56,550,516         | 50,300,411        |
| Bonus  | 5,205,689          | 4,251,835         |
| Medical aid - company contributions                                | 3,611,307          | 3,272,376         |
| UIF  | 350,475            | 344,469           |
| SDL  | 747,113            | 480,216           |
| Leave pay provision charge   | 2,598,112          | -                 |
| Pension Fund contributions   | 11,799,283         | 10,632,184        |
| Travel, motor car, accommodation, subsistence and other allowances | 13,850,500         | 10,301,627        |
| Overtime payments  | 2,170,304          | 1,214,485         |
| Long-service awards  | 507,000            | 1,268,495         |
| Acting allowances  | 361,405            | 647,994           |
| Housing benefits and allowances                                    | 191,492            | 430,204           |
| Other employee related costs                                       | -                  | 2,234,926         |
| Bargaining Council   | 19,841             | 17,960            |
| Standby allowance  | 457,683            | 372,071           |
| Telephone/Cell Phone allowance                                     | 1,820,108          | 1,727,787         |
| Personal allowance mayors office                                   | -                  | 59,200            |
|  | <b>100,240,828</b> | <b>87,556,240</b> |

### Remuneration of municipal manager

|   |                  |                |
|---|------------------|----------------|
| Annual Remuneration                             | 582,145          | 468,600        |
| Car Allowance                                   | 232,311          | 175,663        |
| Performance Bonuses                             | 59,555           | 58,575         |
| Contributions to UIF, Medical and Pension Funds | 121,579          | 100,236        |
| Other allowances                                | 79,480           | -              |
| Back pay  | 187,456          | -              |
|   | <b>1,262,526</b> | <b>803,074</b> |

### Remuneration of chief finance officer

|   |                |                |
|---|----------------|----------------|
| Annual Remuneration                             | 141,719        | 289,529        |
| Car Allowance                                   | 40,156         | 119,246        |
| Contributions to UIF, Medical and Pension Funds | 22,350         | 87,721         |
| Leave Pay                                       | 155,444        | -              |
| Other allowances                                | 28,955         | -              |
| Back pay  | 38,712         | -              |
|   | <b>427,336</b> | <b>496,496</b> |

### Remuneration of Executive Committee Members

| Remuneration of Executive Committee members - 2018               | Technical Services | Local Economic Development | Corporate Services | Community Services | Total            |
|--|--------------------|----------------------------|--------------------|--------------------|------------------|
| Annual Remuneration  | 830,253            | 456,857                    | 905,155            | -                  | 2,192,265        |
| Bonuses - 13th Cheques   | 50,321             | 15,035                     | -                  | -                  | 65,356           |
| Back pay   | 57,898             | 179,417                    | 61,976             | 64,008             | 363,299          |
| Travel, motor car, accomondation, substance and other allowances | 138,203            | 209,765                    | 180,726            | 57,959             | 586,653          |
| Contributions to UIF, Medical and Pension Funds                  | 28,143             | 95,899                     | -                  | -                  | 124,042          |
| Leave pay  | 186,796            | -                          | -                  | -                  | 186,796          |
| Subtotal   | 1,291,614          | 956,973                    | 1,147,857          | 121,967            | 3,518,411        |
|  | <b>1,291,614</b>   | <b>956,973</b>             | <b>1,147,857</b>   | <b>121,967</b>     | <b>3,518,411</b> |

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|   |                           |                                   |                           |                           | 2018     | 2017             |
|---|---------------------------|-----------------------------------|---------------------------|---------------------------|----------|------------------|
| <b>26. Employee related costs (continued)</b>                     |                           |                                   |                           |                           |          |                  |
| <b>Remuneration of Executive Committee members- 2017</b>          | <b>Technical Services</b> | <b>Local Economic Development</b> | <b>Corporate Services</b> | <b>Community Services</b> |          | <b>Total</b>     |
| Annual Remuneration   | 575,100                   | 72,169                            | 545,849                   | 575,100                   | -        | 1,768,218        |
| Acting Allowance  | -                         | -                                 | 33,614                    | -                         | -        | 33,614           |
| Performance and other bonuses                                     | 47,925                    | -                                 | -                         | -                         | -        | 47,925           |
| Travel, motor car, accomodation, subsistence and other allowances | 290,028                   | 31,327                            | 323,038                   | 242,880                   | -        | 887,273          |
| Contributions to UIF, Medical and Pension Funds                   | 114,339                   | 17,119                            | 109,138                   | 115,531                   | -        | 356,127          |
| Subtotal  | 1,027,392                 | 120,615                           | 1,011,639                 | 933,511                   | -        | 3,093,157        |
|   | <b>1,027,392</b>          | <b>120,615</b>                    | <b>1,011,639</b>          | <b>933,511</b>            | <b>-</b> | <b>3,093,157</b> |

## 27. Remuneration of councillors

|                                   |  |  |  |                   |                   |  |
|-----------------------------------|--|--|--|-------------------|-------------------|--|
| Executive Major                   |  |  |  |                   |                   |  |
| Chief Whip                        |  |  |  | 838,687           | -                 |  |
| Mayoral Committee Members         |  |  |  | 640,303           | -                 |  |
| Speaker                           |  |  |  | 3,437,239         | -                 |  |
| Councillors                       |  |  |  | 680,144           | -                 |  |
| Councillors' pension contribution |  |  |  | 13,966,573        | 16,547,527        |  |
|                                   |  |  |  | 82,496            | 962,637           |  |
|                                   |  |  |  | <b>19,645,442</b> | <b>17,510,164</b> |  |

## In-kind benefits

The Mayor, Speaker and three Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

## 28. Depreciation and amortisation

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 35,270,140        | 33,725,925        |
| Intangible assets             | 27,249            | 27,249            |
|                               | <b>35,297,389</b> | <b>33,753,174</b> |

## 29. Finance costs

|                     |                  |                |
|---------------------|------------------|----------------|
| Finance leases      | 907,022          | -              |
| Other interest paid | 506,000          | 314,156        |
|                     | <b>1,413,022</b> | <b>314,156</b> |

The interest paid is made up of Long service award and the finance lease on the office equipment.

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## Notes to the Annual Financial Statements

| Figures in Rand                            | 2018             | 2017               |
|--|------------------|--------------------|
| <b>30. Debt impairment</b>                 |                  |                    |
| Debt impairment                            | 15,396,652       | (3,174,352)        |
| Contributions to debt impairment provision | (13,088,015)     | 107,776            |
|  | <b>2,308,637</b> | <b>(3,066,576)</b> |

During the financial year a total amount of R15 396 652 was presented to the council for a recommendation to be written off due to a bad history of settling outstanding debts with the municipality. The bad debtors relate to all outstanding amounts for the year 2006 to 2011 relating to Rates, Refuse, Traffic fines, electricity, interest and other services charges.

### 31. Bulk purchases

|             |            |            |
|-------------|------------|------------|
| Electricity | 30,319,038 | 26,041,822 |
|-------------|------------|------------|

### 32. Contracted services

|                   |                   |                  |
|-------------------|-------------------|------------------|
| Fleet Services    | 499,798           | 287,018          |
| Operating Leases  | 790,461           | 859,184          |
| Security Services | 10,462,803        | 5,923,430        |
|                   | <b>11,753,062</b> | <b>7,069,632</b> |

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## Notes to the Annual Financial Statements

| Figures in Rand                                  | 2018              | 2017              |
|--|-------------------|-------------------|
| <b>33. General expenses</b>                      |                   |                   |
| Administration and management fees               | 3,601,396         | 434,271           |
| Advertising                                      | 579,591           | 322,679           |
| Audit fees                                       | 3,145,375         | 2,336,220         |
| Bank charges                                     | 727,608           | 392,619           |
| Provision for restoration costs of landfill site | 476,529           | 2,479,884         |
| EPWP costs                                       | 4,790,914         | 5,152,197         |
| Consulting and professional fees                 | 9,818,231         | 6,631,022         |
| Beautification of Area                           | (1,712,000)       | 1,096,560         |
| Municipal Demarcation costs                      | 4,613,156         | 3,643,385         |
| Workmens Compensation Costs                      | 5,733,375         | -                 |
| PMS Cost   | 697,758           | 414,981           |
| MPAC expenses                                    | 270,243           | 230,152           |
| Insurance  | 838,550           | 582,819           |
| PMS Costs  | -                 | 133,578           |
| Conferences, Accomodation and seminars           | 2,341,330         | 1,723,475         |
| IT expenses                                      | 496,222           | 2,087,246         |
| NSFG Costs                                       | 26,457,928        | 19,278,338        |
| System Improvement                               | -                 | 1,328,988         |
| Fuel Costs                                       | 3,714,777         | 3,334,375         |
| Sports for employees costs                       | 374,176           | 545,018           |
| Postage Costs                                    | 9,035             | 21,113            |
| Printing and stationery                          | 1,336,027         | 67,754            |
| Promotions                                       | 76,034            | 1,625             |
| Master Plans for LDP                             | 3,369             | 261,440           |
| Repairs and maintenance                          | 2,437,611         | 5,440,726         |
| Poverty Alleviation                              | 281,013           | 624,383           |
| Arts & Culture Costs                             | 147,329           | 191,308           |
| Staff welfare                                    | 58,601            | 49,183            |
| Subscriptions and membership fees                | 1,171,810         | 2,143,191         |
| Telephone and fax                                | 2,007,710         | 3,447,676         |
| Training Costs                                   | 658,292           | 927,089           |
| Subsistence and travel                           | 4,230,515         | 5,693,416         |
| Refuse bags                                      | 58,205            | 72,400            |
| Group Insurance                                  | 116,571           | 99,379            |
| Water & Electricity                              | 21,714            | 56,901            |
| Special Focus                                    | 871,578           | 68,559            |
| Audit committee fees                             | 485,995           | 384,044           |
| Bursaries  | 59,079            | 455,052           |
| Public participation                             | 627,865           | 789,235           |
| Licence fees - vehicles                          | 125,521           | 111,759           |
| Refreshments                                     | 271,202           | 95,747            |
| Remuneration of ward committee members           | 3,016,176         | 2,712,064         |
| Free basic services electricity                  | 162,058           | 385,098           |
| Support of ward committee                        | 1,785,431         | 1,274,935         |
| Sport Development                                | 838,494           | 1,220,383         |
| Free basic service                               | -                 | 1,171,530         |
| Other expenses                                   | 7,089,192         | 1,152,271         |
|  | <b>94,911,586</b> | <b>81,066,068</b> |

### 34. Auditors' remuneration

|      |           |           |
|------|-----------|-----------|
| Fees | 3,145,375 | 2,336,220 |
|------|-----------|-----------|

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### 35. Cash generated from operations

|  |                   |                   |
|--|-------------------|-------------------|
| Surplus  | 21,963,002        | 98,740,789        |
| Adjustments for:                                 |                   |                   |
| Depreciation and amortisation                    | 35,270,140        | 33,725,925        |
| Loss on sale of assets and liabilities           | 754,846           | -                 |
| Finance costs - Finance leases                   | 907,022           | -                 |
| Debt impairment                                  | 2,308,637         | (3,066,576)       |
| Movements in provisions                          | 191,354           | 589,567           |
| Fair value adjustment                            | -                 | (2,673,865)       |
| Changes in working capital:                      |                   |                   |
| Inventories                                      | (3,046,198)       | (17,639)          |
| Receivables from exchange transactions           | (3,314,095)       | (460,351)         |
| Consumer debtors                                 | (369,652)         | (3,735,247)       |
| Other receivables from non-exchange transactions | (23,257,398)      | (36,299,586)      |
| Payables from exchange transactions              | 4,916,077         | 13,623,607        |
| VAT  | 2,111,607         | 7,420,002         |
| Unspent conditional grants and receipts          | (6,324,474)       | (18,803,741)      |
|  | <b>32,110,868</b> | <b>89,042,885</b> |

### 36. Transfer of functions between entities not under common control

#### Aggregated transfer of functions

|                        |   |                   |
|------------------------|---|-------------------|
| Revenue                | - | 14,004,816        |
| PPE - Motor Vehicle    | - | 4,931,362         |
| PPE - Office Equipment | - | 86,596            |
| Receivables            | - | 10,891,418        |
|                        | - | <b>29,914,192</b> |

#### Transfer of function

Effective from 10 August 2016, the Municipality received assets from Aganang Local Municipality related to wards which were transferred to Aganang:

The Net total effect of the assets received was R29 914 192

#### Gain or loss recognised in current reporting period

A gain recognised is R Nil (2017: R29 914 193). The gain has been included in the in statement of financial performance.

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## Notes to the Annual Financial Statements

| Figures in Rand                             | 2018              | 2017              |
|---|-------------------|-------------------|
| <b>37. Commitments</b>                      |                   |                   |
| <b>Authorised capital expenditure</b>       |                   |                   |
| Already contracted for but not provided for |                   |                   |
| • Property, plant and equipment             | -                 | 1,338,340         |
| <b>Total capital commitments</b>            |                   |                   |
| Already contracted for but not provided for | -                 | 1,338,340         |
| <b>Authorised operational expenditure</b>   |                   |                   |
| Already contracted for but not provided for |                   |                   |
| • Security services                         | 18,662,366        | -                 |
| • Consulting services                       | 1,724,500         | -                 |
| • Special Development Framework (SDF)       | 428,106           | -                 |
| • Development of Growth Strategy            | 40,000            | -                 |
| • Other                                     | 671,693           | 34,782,833        |
|   | <b>21,526,665</b> | <b>34,782,833</b> |
| <b>Total operational commitments</b>        |                   |                   |
| Already contracted for but not provided for | 21,526,665        | 34,782,833        |
| <b>Total commitments</b>                    |                   |                   |
| <b>Total commitments</b>                    |                   |                   |
| Authorised capital expenditure              | -                 | 1,338,340         |
| Authorised operational expenditure          | 21,526,665        | 34,782,833        |
|   | <b>21,526,665</b> | <b>36,121,173</b> |

This committed expenditure relates to Security, consulting, growth strategy and special development services and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

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### 38. Contingencies

Litigation claims are in progress against the municipality relating to various matters who alleges that the municipality has infringed on certain laws and regulations and they are seeking damages totalling 5,198,219. The municipality's lawyers and management consider the likelihood of the actions against the municipality being successful is unlikely, and the case should be resolved within the next two years.

Should the action be successful the municipality does have insurance cover to cover litigation costs and claims. The total cover extended by the current policy amounts to -.

There is no reimbursement from any third parties for potential obligations of the municipality.

#### Contingent Liabilities

Below is a detail explanation of the nature and financial impact:

|   |                  |                  |
|---|------------------|------------------|
| 1. Kgamaki Jonas Mangweta: Case No. LP/PLK/RC 499/2015 - The plaintiff is suing the municipality for defamation. The matter is still pending due to the plaintiff not having legal representative.  | 300,000          | 300,000          |
| 2. Masilo Rapetsoa - Case No. (1353/2014) The plaintiff is suing the municipality after ten (10) cattle died on suspicion that they grazed in an unprotected dumping site belonging to the municipality.  | -                | 120,000          |
| 3. Machuene Charlese Keetse - The plaintiff is suing the Municipality and the Minister of Police for unlawful arrest and detention. The matter is still pending with no indication of the court date.   | 300,000          | 300,000          |
| 4. Joseph Manaka - The plaintiff is suing both the municipality and Eskom after he was electrocuted by a half fallen electrical pole after a disaster caused by heavy rainfalls and Winds.  | 3,800,000        | 3,800,000        |
| 5. Mahowa attorneys - The plaintiff is suing the Municipality after his service was terminated for over-charging.   | -                | 690,890          |
| 6. MTN Company - The Plaintiff has taken the municipality to a debt collector.  | -                | 225,158          |
| 7. IN-SUTU Consulting cc - The plaintiff is suing various entities including the Municipality as the Eighth defendant in a contractual dispute relating to a water boreholes drilled around the Municipality's jurisdiction. The Municipality was not party to the contract but merely involved for the sake of formality in terms of the Uniform Rules of Court. | 223,419          | 223,419          |
| 8. Overland cruises and logistics - The plaintiff is suing the Premier of Limpopo and the Municipality for non-payment of service rendered, the Premier's office procured transport services to ferry residents of Blouberg Municipality to Polokwane during a memorial service of the late former President Nelson Mandela.                                      | 574,800          | 574,800          |
|   | <b>5,198,219</b> | <b>6,234,267</b> |



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### 39. Related parties

#### Relationships

Controlled by the same government - legislatively (MFMA Act)

Capricorn District Municipality (CDM)

The municipality is involved in an agency relationship with Capricorn District Municipality for the provision of water services and also receives a Grant from the Municipality.

#### Related party balances

##### Unspent Grants - by related parties

Capricorn District Municipality (CDM) (unspent Grant)

- 167,262

The balance relate to the unspent Grant received from Capricorn District Municipality for the year ended 30 June 2017 for the use of Landfill sites. The current year Grant received was fully spent.

##### Amounts included in Trade receivable (Trade Payable) regarding related parties

Capricorn District Municipality - (Water)

4,030,524 8,179,121

Capricorn District Municipality (Commission)

1,713,653 -

#### Related party transactions

##### Commission received from related parties

Capricorn District Municipality (CDM) - Water

1,713,653 1,578,595

##### Grants received from related parties

Capricorn District Municipality

3,470,000 2,250,000

#### Key management information

| Class                       | Description   | Number |
|-----------------------------|---|--------|
| Chief Financial Officer     | Mokonyama MF  | 1      |
| Executive Committee members | Refer below under Councillors/Mayoral committee members | 7      |
| Mayor                       | Pheedi MS   | 1      |
| Councillors                 | Refer below under Councillors/Mayoral committee members | 37     |
| Municipal Manager           | Machaba MJ  | 1      |

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### 39. Related parties (continued)

#### Remuneration of management

##### Municipal Manager and Chief Financial Officer

2018

| Name         | Basic salary   | Other short-term employee benefits | Post-employment benefits | Total            |
|--------------|----------------|------------------------------------|--------------------------|------------------|
| Machaba MJ   | 823,522        | 232,311                            | 106,422                  | 1,162,255        |
| Mokonyama MF | 141,719        | 195,600                            | 37,538                   | 374,857          |
|              | <b>965,241</b> | <b>427,911</b>                     | <b>143,960</b>           | <b>1,537,112</b> |

2017

| Name         | Basic salary   | Bonuses and performance related payments | Other short-term employee benefits | Post-employment benefits | Total            |
|--------------|----------------|--|------------------------------------|--------------------------|------------------|
| Machaba MJ   | 468,600        | 58,575                                   | 175,663                            | 100,236                  | 803,074          |
| Mokonyama MF | 289,529        | -  | 119,246                            | 87,721                   | 496,496          |
|              | <b>758,129</b> | <b>58,575</b>                            | <b>294,909</b>                     | <b>187,957</b>           | <b>1,299,570</b> |

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### 39. Related parties (continued)

#### Councillors/Mayoral committee members

2018

| Name           | Basic salary | Allowances | S & T     | Total      |
|----------------|--------------|------------|-----------|------------|
| Pheedi MS      | 582,472      | 229,641    | 850       | 812,963    |
| Tshoshi MM     | 437,043      | 181,081    | 90,486    | 708,610    |
| Thamaga MN     | 466,229      | 190,792    | 58,509    | 715,529    |
| Makobela SR    | 437,043      | 181,081    | 120,341   | 738,465    |
| Mashalane MS   | 437,043      | 181,081    | 118,442   | 736,565    |
| Morapedi AM    | 437,043      | 181,081    | 93,626    | 711,750    |
| Makhura MH     | 242,696      | 116,298    | 92,391    | 451,385    |
| Rangata MJ     | 242,696      | 116,298    | 244       | 359,238    |
| Maila MP       | 242,696      | 116,298    | 102,775   | 461,769    |
| Ntlatla MW     | 242,696      | 116,298    | 76,960    | 435,953    |
| Mathidza SE    | 183,561      | 96,587     | 62,701    | 342,850    |
| Masekwameng MR | 183,561      | 96,587     | 26,480    | 306,629    |
| Raseruthe MA   | 183,561      | 96,587     | 95,353    | 375,501    |
| Lehong MV      | 183,561      | 96,587     | 117,129   | 397,277    |
| Tlouamma NM    | 183,561      | 96,587     | 74,658    | 354,807    |
| Moetjie NT     | 183,561      | 96,587     | 120,525   | 400,673    |
| Mojodo MD      | 183,561      | 96,587     | 131,849   | 411,998    |
| Seema MI       | 183,561      | 96,587     | 70,147    | 350,295    |
| Maifo ML       | 183,561      | 96,587     | 153,711   | 433,859    |
| Mokobodi CS    | 183,561      | 96,587     | -         | 280,148    |
| Moshokoa MS    | 183,561      | 96,587     | 83,105    | 363,254    |
| Murathi MS     | 183,561      | 96,587     | 102,577   | 382,726    |
| Molema MN      | 183,561      | 96,587     | 101,849   | 381,998    |
| Sebetha MJ     | 183,561      | 96,587     | 91,936    | 372,085    |
| Makgakga JP    | 183,561      | 96,587     | 72,894    | 353,043    |
| Ramoba MR      | 183,561      | 96,587     | 108,803   | 388,952    |
| Sekgoloane MJ  | 235,570      | 114,090    | 102,897   | 452,557    |
| Molokomme MM   | 183,561      | 96,587     | 94,358    | 374,506    |
| Mphago MA      | 183,561      | 96,587     | 86,058    | 366,207    |
| Modingwana MG  | 183,561      | 96,587     | 96,402    | 376,551    |
| Setwaba DS     | 183,561      | 96,587     | 114,988   | 395,137    |
| Maleka NG      | 183,561      | 96,587     | 50,736    | 330,885    |
| Magwai RT      | 183,561      | 96,587     | 101,688   | 381,836    |
| Madzhie AE     | 183,561      | 96,587     | 100,066   | 380,214    |
| Selamolela S   | 183,561      | 96,587     | -         | 280,148    |
| Madibana SS    | 183,561      | 96,587     | 84,210    | 364,359    |
| Phoshoko NC    | 183,561      | 96,587     | 38,559    | 318,708    |
| Mabolola SJ    | 183,561      | 96,587     | 48,991    | 329,139    |
| Chula MI       | 183,561      | 96,587     | 53,045    | 333,193    |
| Morudu Mf      | 183,561      | 96,587     | 55,086    | 335,235    |
| Madibana MR    | 183,561      | 96,587     | 70,723    | 350,872    |
| Madiope MT     | 183,561      | 96,587     | 57,881    | 338,030    |
| Tefo LT        | 183,561      | 96,587     | 67,263    | 347,412    |
| Tjumana MM     | 183,561      | 96,587     | 84,797    | 364,946    |
|                | 10,060,740   | 4,911,410  | 3,476,089 | 18,448,257 |

2017

| Name | Basic salary | Allowances | Total |
|------|--------------|------------|-------|
|------|--------------|------------|-------|

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| <b>39. Related parties (continued)</b> |         |         |         |
| Makobela SR                            | 363,954 | 203,963 | 567,917 |
| Mashalane MS                           | 363,955 | 203,963 | 567,918 |
| Morapedi AM                            | 299,400 | 176,137 | 475,537 |
| Makhura MH                             | 205,100 | 113,422 | 318,522 |
| Rangata MJ                             | 211,350 | 131,000 | 342,350 |
| Masekwameng MR                         | 175,877 | 118,305 | 294,182 |
| Phosa MH                               | 16,957  | 9,968   | 26,925  |
| Raseruthe MA                           | 160,507 | 12,898  | 173,405 |
| Modishetji MP                          | 16,957  | 9,968   | 26,925  |
| Tutja TP                               | 23,098  | 106,702 | 129,800 |
| Kotsinkwa PJ                           | 16,957  | 106,702 | 123,659 |
| Lehong MV                              | 160,507 | 9,968   | 170,475 |
| Tlouamma NM                            | 160,507 | 9,631   | 170,138 |
| Rapheaga KT                            | 16,957  | 110,681 | 127,638 |
| Shongoane SL                           | 16,957  | 9,968   | 26,925  |
| Moetjie NT                             | 163,160 | 9,968   | 173,128 |
| Keetse MC                              | 16,957  | 106,702 | 123,659 |
| Mosebedi ME                            | 16,957  | 12,898  | 29,855  |
| Mojodo MD                              | 160,507 | 9,968   | 170,475 |
| Sithukga SE                            | 23,098  | 9,968   | 33,066  |
| Kobe DM                                | 16,957  | 9,968   | 26,925  |
| Chauke KR                              | 16,957  | 19,775  | 36,732  |
| Mokgohle PS                            | 16,957  | 106,702 | 123,659 |
| Boloka MP                              | 22,848  | 9,968   | 32,816  |
| Mathidza SE                            | 160,507 | 10,017  | 170,524 |
| Sekwatlakwatla SP                      | 16,957  | 9,968   | 26,925  |
| Maboya MS                              | 16,957  | 9,968   | 26,925  |
| Molokomme NO                           | 16,957  | 9,968   | 26,925  |
| Nabane NB                              | 16,957  | 9,968   | 26,925  |
| Morukhu MB                             | 16,957  | 9,968   | 26,925  |
| Mathekgana MCR                         | 16,957  | 21,596  | 38,553  |
| Ratladi SP                             | 41,326  | 9,968   | 26,925  |
| Ntlema AM                              | 16,957  | 110,704 | 152,030 |
| Tjumana MM                             | 166,832 | 9,949   | 26,906  |
| Sekgolane SE                           | 16,957  | 10,017  | 176,849 |
| Kgwatalala MM                          | 16,957  | 124,765 | 141,722 |
| Selamolela S                           | 16,957  | 120,393 | 137,350 |
| Sekgoloane MJ                          | 185,352 | 89,124  | 274,476 |
| Madibana SS                            | 193,038 | 89,124  | 282,162 |
| Murathi MS                             | 154,259 | 89,124  | 243,383 |
| Seema MI                               | 154,258 | 89,124  | 243,382 |
| Maifo ML                               | 154,258 | 89,124  | 243,382 |
| Moshokoa MS                            | 154,259 | 89,124  | 243,383 |
| Ramoba MR                              | 154,258 | 89,124  | 243,383 |
| Sebetha MJ                             | 154,258 | 89,124  | 243,382 |
| Madibana MR                            | 154,258 | 89,124  | 243,382 |
| Morudu MF                              | 154,258 | 89,124  | 243,382 |
| Chula MI                               | 154,258 | 89,124  | 243,382 |
| Makgakga JP                            | 154,258 | 89,124  | 243,382 |
| Setwaba JP                             | 154,258 | 89,124  | 243,382 |
| Molema MN                              | 154,258 | 89,124  | 243,382 |
| Tefo LT                                | 154,258 | 89,124  | 243,382 |
| Maleka NG                              | 154,258 | 89,124  | 243,382 |
| Phoshoko NC                            | 154,258 | 89,124  | 243,382 |
| Mokobodi CS                            | 154,258 | 89,124  | 243,382 |
| Madioppe TM                            | 154,258 | 89,124  | 243,382 |
| Molokomme MM                           | 154,258 | 89,124  | 243,382 |
| Magwai RT                              | 154,258 | 89,124  | 243,382 |
| Madzhie AE                             | 137,659 | 89,124  | 226,783 |

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|--|------------------|------------------|-------------------|
| <b>39. Related parties (continued)</b> |                  |                  |                   |
| Mphago MA                              | 137,659          | 86,491           | 224,150           |
| Modingwana MG                          | 137,088          | 86,046           | 223,134           |
| Seduma MD                              | 41,325           | 21,596           | 62,921            |
| Maila MP                               | 205,100          | 113,422          | 318,522           |
| Ntlatla MW                             | 215,729          | 133,756          | 349,485           |
| Mabolola SJ                            | 154,258          | 89,124           | 243,382           |
|  | <b>7,677,087</b> | <b>4,666,761</b> | <b>12,343,848</b> |

### Executive management

#### 2018

| Name                                | Technical Services | Local Economic Development | Corporate Services | Total            |
|-------------------------------------|--------------------|----------------------------|--------------------|------------------|
| Annual remuneration                 | 830,253            | 659,000                    | 187,798            | 1,677,051        |
| Leave Pay                           | -                  | -                          | 424,375            | 424,375          |
| Travel, Motor Car, Accommodation    | 54,522             | 164,035                    | 114,676            | 333,233          |
| Contribution to UIF and Medical Aid | 446                | 1,785                      | 595                | 2,826            |
| Pension Funds                       | 25,880             | 100,509                    | 33,804             | 160,193          |
|                                     | <b>911,101</b>     | <b>925,329</b>             | <b>761,248</b>     | <b>2,597,678</b> |

#### 2017

| Name  | Technical Services | Local Economic Development | Corporate Services | Community Services | Total            |
|---|--------------------|----------------------------|--------------------|--------------------|------------------|
| Annual remuneration                                   | 575,100            | 72,169                     | 545,849            | 575,100            | 1,768,218        |
| Acting allowances                                     | -                  | -                          | 33,614             | -                  | 33,614           |
| Travel, Motor Car, Accommodation and other allowances | 290,028            | 31,327                     | 323,038            | 242,880            | 887,273          |
| Performance and other bonuses                         | 47,925             | -                          | -                  | -                  | 47,925           |
| Contribution to UIF, Pension Funds and Medical Aid    | 114,339            | 17,119                     | 109,138            | 115,531            | 356,127          |
|   | <b>1,027,392</b>   | <b>120,615</b>             | <b>1,011,639</b>   | <b>933,511</b>     | <b>3,093,157</b> |

\*Refer to note "Employee related costs"

### 40. Prior period errors

Finance lease liability for the rental of Photocopies had remaining months of six months to expire ending 31 December 2017 with a balance of R69 915 but the amount was disclosed in the prior year financial statement at R573 965, resulting in an error of R466 646)

It was identified that VAT receivable was overstated by R 7 082 966 compared to SARS statement. an adjustment to the opening balance was done in the current year to correct the opening balance of VAT receivables.

During the current year it was identified that accruals raised in the previous year where actual costs paid was reversed, resulting in an overstatement of accruals (Payables) with an amount of R2 858 346.

During the current year it was identified that several property, plant and equipments have been understated which relate to prior year acquired assets with an amount of R13 100 425.

It was identified that assessment rates have been understated with an amount of R1 312 161 relating to Aganang Municipality.

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### 40. Prior period errors (continued)

It was identified that the Advance payment included a journal was duplicated in the prior year of R169 108 resulting in the overstatement of payables. The correction of the error(s) results in adjustments as follows:

#### Statement of financial position

|  |              |   |
|--|--------------|---|
| Property, plant and equipment          | 13,100,425   | - |
| Payables from exchange difference      | 2,689,238    | - |
| VAT Control - Receivables              | (7,082,966)  | - |
| Receivables                            | 1,312,161    | - |
| Opening Accumulated Surplus or Deficit | (10,485,504) | - |
| Finance lease liability                | 466,646      | - |

### 41. Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### At June 30, 2018

|                          | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|--------------------------|------------------|-----------------------|-----------------------|--------------|
| Trade and other payables | 48,001,129       | -                     | -                     | -            |

#### At June 30, 2017

|                          | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|--------------------------|------------------|-----------------------|-----------------------|--------------|
| Trade and other payables | 41,188,487       | -                     | -                     | -            |

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

### 42. Going concern

We draw attention to the fact that at June 30, 2018, the municipality had an accumulated surplus of 17,050,893 and that the municipality's total liabilities exceed its assets by 939,156,090.

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality to remain in force for as long as it takes to restore the solvency of the municipality.

### 43. Events after the reporting date

The municipality have not identified any material non-adjusting events after the reporting date relating to the financial year then ended 30 June 2018.

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| <b>44. Unauthorised expenditure</b> |              |                   |
| Opening balance                     | 85,461,181   | 83,992,237        |
| Current year                        | -            | 1,468,944         |
| Write off                           | (85,461,181) | -                 |
|                                     | -            | <b>85,461,181</b> |

Unauthorised expenditure for the 2018 financial year under review amounts to R (2017: R 1 468, 944). During the financial year under review, the council writes off expenditure of an amount of R1 468 944. relating to the prior year unauthorised expenditure.

### 45. Fruitless and wasteful expenditure

|                 |                |                |
|-----------------|----------------|----------------|
| Opening balance | 475,457        | 400,345        |
| Current year    | 286,631        | 75,112         |
| Write off       | (475,457)      | -              |
|                 | <b>286,631</b> | <b>475,457</b> |

Fruitless and wasteful expenditure is as a result of interest expenses incurred due to late payments of supplier invoice.

### 46. Irregular expenditure

|   |                   |                   |
|---|-------------------|-------------------|
| Opening balance                           | 89,163,620        | 92,127,575        |
| Add: Irregular Expenditure - current year | 13,959,006        | 44,471,937        |
| Less: Write off                           | (89,163,620)      | (47,435,892)      |
|   | <b>13,959,006</b> | <b>89,163,620</b> |

The Irregular expenditure rate to non-compliance with SCM regulations. Goods and services were received for the expenditure that was recorded as irregular. Investigation were conducted by MPAC and report submitted to Council. The Council approved to write-off Irregular expenditure amounting to R89 163 620 (2017: R47 435 892) in the 2018 financial year. The irregular expenditure of R11 958 853 relate to a contract for security services that was awarded in 2017 financial year for three years ending in 2020 financial year which contravened the regulations of SCM in not obtaining the 12 months financial statements. Each year the Irregular expenditure will appear showing the current costs and write off of the previous financial year costs until expiry of the contract.

### 47. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Current year subscription / fee | 2,381,152   | 2,143,191   |
| Amount paid - current year      | (2,381,152) | (2,143,191) |
|                                 | -           | -           |

#### Audit fees

|                            |             |             |
|----------------------------|-------------|-------------|
| Fees - current year        | 1,092,498   | 1,177,151   |
| Amount paid - current year | (1,092,498) | (1,177,151) |
|                            | -           | -           |

#### PAYE and UIF

|                            |              |              |
|----------------------------|--------------|--------------|
| Withheld - Current year    | 29,840,651   | 24,811,147   |
| Amount paid - current year | (29,840,651) | (24,811,147) |
|                            | -            | -            |

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Notes to the Annual Financial Statements

| Figures in Rand   | 2018         | 2017         |
|---|--------------|--------------|
| <b>47. Additional disclosure in terms of Municipal Finance Management Act (continued)</b> |              |              |
| <b>Pension and Medical Aid Deductions</b>   |              |              |
| Contributions - current year  | 15,493,085   | 13,904,560   |
| Amount paid - current year  | (15,493,085) | (13,904,560) |
|   | -            | -            |
| <b>VAT</b>  |              |              |
| VAT receivable  | 2,670,202    | 4,781,810    |

VAT output payables and VAT input receivables are shown in note .



# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|-----------------|------|------|
|-----------------|------|------|

### 48. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

Water services and gym equipment Plant Machinery were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the who considered them and subsequently approved the deviation from the normal supply chain management regulations.

| Supplier name                       | Reason   | Amount    | Total     |
|-------------------------------------|--|-----------|-----------|
| Earthmoving Filtration & Compaction | Authorised dealer for                                | 206,105   | 206,105   |
| Hitachi Construction Machinery      | Volvo plant  |           |           |
|                                     | Authorised dealer for                                | 225,444   | 225,444   |
| Barloworld Cat                      | Hitach plant   |           |           |
|                                     | Authorised Caterpillar Plant                         | 342,166   | 342,166   |
| Toyota Forklift                     | Removal & Installation of                            | 261,509   | 261,509   |
|                                     | crain truck behind cap                               |           |           |
| MN Auto Electrical Services         | Holand authorised dealer                             | 394,246   | 394,246   |
| Phomelelo Industrial Power Supply   | Emergency since there was no water and electricity   | 152,760   | 152,760   |
| Phomelelo Industrial Power Supply   | Emergency since there was no water and electricity   | 152,760   | 152,760   |
| Mabolola Automobile electrical cc   | Emergency since the refuse truck stucked on the road | 54,605    | 54,605    |
| Barloworld Cat                      | Authorised Caterpillar Plant                         | 31,586    | 31,586    |
| Parana Panel Beaters                | The panel beater is authorised by Insurance          | 5,000     | 5,000     |
| Sejammidi Services                  | Emergency  | 57,895    | 57,895    |
| Bell                                | Authorised Bell Dealer                               | 26,233    | 26,233    |
| Sello Koena Trading                 | Configuration of VPN Router                          | 153,960   | 153,960   |
| Subtotal                            |  | 2,064,269 | 2,064,269 |
|                                     |  | 2,064,269 | 2,064,269 |

# Blouberg Local Municipality

(Registration number LM351)

Annual Financial Statements for the year ended June 30, 2018

## Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|-----------------|------|------|
|-----------------|------|------|

### 49. Distribution Losses

|             |           |           |
|-------------|-----------|-----------|
| Electricity | 2,547,359 | 2,439,101 |
|-------------|-----------|-----------|

The municipality purchased 20 753 076 units (2017: 19 452 996 units) from Eskom and sold 18 738 639 units (2017: 17 664 000.6 units) resulting in a difference of 2 076 583 units (2017: 1 807 995.4 units) between the purchases and sales. This amounts to a distribution loss of 9.71% (2017: 9.29%).

# OVERSIGHT REPORT 2017/18



MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

OVERSIGHT REPORT 2017/2018

#### VISION

A participatory municipality that turns  
Prevailing challenges into opportunities  
for growth and development through  
Optimal utilization of available resources.

#### MISSION

To ensure delivery of quality services  
through community participation and  
Creation of enabling environment for economic growth and  
job creation.

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# **MUNICIPAL PUBLIC ACCOUNTS COMMITTEES' OVERSIGHT REPORT ON THE 2017/ 2018 DRAFT ANNUAL REPORT TO COUNCIL**

## **1. PURPOSE OF THE REPORT**

The purpose of this report is to present the Municipal Public Accounts Committee's Oversight report on the 2017 / 2018 Draft Annual Report to the Blouberg Local Municipality Council for consideration and adoption.

## **2. BACKGROUND**

The Draft Annual Report 2017 / 2018 was tabled before the council of Blouberg Municipality's sitting held on the 30<sup>th</sup> January in the Municipal Council Chamber for adoption and for the Public including Stakeholders to make inputs and comments.

## **3. LEGISLATIONS AND REGULATIONS**

The Municipal Public Accounts Committee of the Blouberg Local Municipality is guided by the following types of legislations and regulations in order for it to table the Draft Annual Report on the 2017 / 2018 Financial Year: -

- i. **Local Government: Municipal Systems Act, 2000**
- ii. **Local Government Municipal Structures Act, 2000**
- iii. **Municipal Finance Management Act (Section 121)**
- iv. **Service Delivery and Budget Implementation Plan (SDBIP) 2017 / 2018**
- v. **Audited Financial Statements 2017 / 2018**

## **4. MUNICIPAL PUBLIC ACCOUNTS COMMITTEES' PROGRAMME OF ACTION**

- a. The Municipal Public Accounts Committee as the committee responsible for the oversight role had a responsibility of playing an oversight on the Draft Annual Report 2017 / 2018 and engaging the public at large including different stakeholders in line with Section 33 and Section 79 of the Municipal Structures Act of 2000 as amended.
- b. The Municipal Public Accounts committee developed the programme of action for the purpose of Public Consultations programme which is aimed to be presented to all identified Clusters (Cluster A, B, C and D) and the Public Hearing Sessions which also aimed to take the course after the completion and finalization of the said Public Consultations to execute the mandate to be addressed on the Draft Annual Report 2017 / 2018.
- c. On the 13<sup>th</sup> February 2019, the Municipal Public Accounts Committee had a successful and fruitful meeting with Office of the Auditor – General in order to allow the Auditor – General to present the Audit report and also to advise and guide the committee as and when they will be tackling to issues of the oversight report and when addressing communities during the public participations.
- d. The committee also had a meeting with the Management of Blouberg Municipality on the 15<sup>th</sup> February 2019. The purpose of the meeting was to unpack and clarify issues on the Draft Annual Report 2017 / 2018 and the Mid – Year Organizational Performance Report to MPAC Members.

## **5. ATTACHED FIND THE PROGRAMME OF ACTION FOR THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE AS "ANNEXURE A"**



**5.1 PROGRAMME OF ACTION FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (AMENDED)  
PROGRESS ON IMPLEMENTATION FOR THE 3<sup>RD</sup> QUARTER ACTION PLAN (2018/19)**

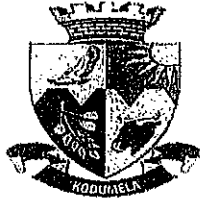
| ACTIVITY                            | DATE                                      | VENUE                     | TIME  | MAIN CONSIDERATION  |
|-------------------------------------|---|---------------------------|-------|---|
| MPAC Meeting Portfolio              | 23 <sup>rd</sup> January 2019             | Municipal Boardroom       | 10h00 | Finalization of the 3 <sup>rd</sup> Quarter Action Plan.  |
| MPAC Public Hearing                 | 28 <sup>th</sup> January 2019             | Municipal Council Chamber | 10h00 | 1 <sup>st</sup> Quarter SDBIP Report  |
| District MPAC Forum                 | 08 February 2019                          | Alldays Satellite Office  | 11h00 | Functionality of MPAC's and Consideration of MPAC Issues.   |
| MPAC Meeting                        | 11 February 2019                          | Municipal Boardroom       | 10h00 | Interrogation of the Draft Annual Report 2017/18 and Mid – Year Organizational Performance Report.  |
| MPAC Meeting with Auditor – General | 13 February 2019                          | Municipal Boardroom       | 10h00 | Presentation of the Audit Report.   |
| MPAC Meeting with Management        | 15 February 2019                          | Municipal Boardroom       | 10h00 | Unpacking of the Draft Annual Report and Clarification of Issues on the Draft Annual Report and Mid – Year Organizational Performance Report. |
| MPAC Working Session                | 19 & 20 February 2019                     | Garden Court Polokwane    | 10h00 | Formulation of Questions to Management on the Draft Annual Report and Mid – Year Organizational Performance Report                            |
| MPAC Participation (Cluster A)      | 28 February 2019<br>Wards: 01,02,04,21&22 | Raweshi Satellite Office  | 11h00 | Solicit inputs from Stakeholders and Community  |

|                                |        |   |   |       |  |
|--------------------------------|--------|---|---|-------|--|
| MPAC Participation (Cluster B) | Public | 04 March 2019<br>Wards: 03,08,09,10,11,12,14&19 | Inveraan Satellite Office                     | 11h00 | Solicit Inputs from Stakeholders and Community   |
| MPAC Participation (Cluster C) | Public | 07 March 2019<br>Wards: 05, 06, 07 & 20         | Langlaagte Satellite Office                   | 11h00 | Solicit Inputs from Stakeholders and Community   |
| MPAC Participation (Cluster D) | Public | 12 March 2019<br>Wards: 13, 15, 16, 17 & 18     | Alldays Community Hall                        | 11h00 | Solicit Inputs from Stakeholders and Community   |
| MPAC Project Visits            |        | 25 March 2019                                   | Kgatlu Creche and Cooperspark Community Hall  | 10h00 | Checking progress and follow up on the problems identified by MPAC   |
| MPAC Public Hearing            |        | 26 March 2019                                   | Municipal Chamber                             | 10h00 | Draft Annual Report 2018 / 2019 and Mid – Year Organizational Performance Report (Management and Stakeholders) |
| MPAC Meeting                   |        | 27 March 2019                                   | Municipal Boardroom                           | 10h00 | Consolidation and Adoption of the final Oversight report to Council.   |
| Council Meeting                |        | 29 March 2019                                   | Mashlane Secondary School (Leokaneng Village) | 12h00 | Tabling of the Oversight Report to Council   |



6. ATTACHED FIND RESPONSES FROM MANAGEMENT TO QUESTIONS RAISED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE DRAFT ANNUAL REPORT 2017/18 AS "ANNEXURE B"

**Blouberg Municipality**



P.O. Box 1593

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RESPONSES FROM MANAGEMENT TO QUESTIONS RAISED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE DRAFT ANNUAL REPORT 2017/18.

TO: MPAC CHAIRPERSON  
CC: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
FROM: MANAGEMENT  
DATE: 22<sup>nd</sup> MARCH 2019

**PURPOSE:**

The purpose of this submission is to respond to the Municipal Public Accounts Committee on the 2017/18 Draft Annual Report and Mid-year Budget and Performance Assessment report and including all issues raised in line with the findings of Auditor General's report regarding the Financial Statements and Performance report of the Blouberg Municipality for the year ended 30<sup>th</sup> June 2018.

**QUESTION 01**

**FOREWORD BY THE MAYOR**

**KPI 01 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION (PAGE 5 MAIN DOCUMENT)**

- a. How far is the Municipality in terms of filling the position of the Director Technical Services?
- b. Why did the management not develop the system to monitor and evaluate the performance of staff?

**MANAGEMENT RESPONSE:**

- a. Council took a resolution that the Position be re-advertised because the recommended candidate declined the offer. The position was re- advertised in March 2019 and it closes in April 2019
- b. The system is currently being implemented at the level of Senior Managers and there are plans afoot to gradually roll out the system to the entire staff in the next financial year

**QUESTION 02**

**KPA 02 – FINANCIAL VIABILITY AND MANAGEMENT (PAGE 5)**

- a. What is the progress of the robbery occurred at Raweshi Satellite Office and Traffic Station?
- b. Did the Municipality recover the stolen money?
- c. Is there anyone who have been arrested regarding these crime?

**MANAGEMENT RESPONSE:**

- a. Still under investigation
- b. Not yet
- c. None arrested yet, case opened with the police and Risk Officer is handling the matter

**QUESTION 03**

**KPA 03 – BASIC SERVICES DELIVERY (PAGE 6)**

**" All the capital projects were completed on time except for the Coopers Park Community Hall upgrading that had budgetary constraints"**

- a. Did the municipality able to handle the budgetary constraints issue with regard to the Cooperspark Community Hall Project?

**MANAGEMENT RESPONSE:** Cooperspark community hall phase 1 was completed

**QUESTION 04**

**KPA 04 – MUNICIPAL TRANSFORMATION AND ORGANISATION**

1. Was the Council aware of the case of Ward 15?MPAC is requesting a progress report on the issue of Ward 15 ( Kromhoek – Ga Makgato) Ward Committee
2. How did the learners benefit from Mayor's Bursary Fund? Which learner benefitted from the Mayor's bursary? (MPAC to be given a progress report).

**MANAGEMENT RESPONSE:**

1. No matter relating to any Ward 15 committee member was ever directed to council for consideration. It is urged that issues relating to same be directed to the appropriate office for attention and subsequent presentation to council whenever the need arises
2. Learners are currently provided with full bursary.

**QUESTION 05**

**CHAPTER 03: ANNUAL PERFORMANCE REPORT**

**PERFORMANCE RATING IN RESPECT OF CONTRACTED SERVICE PROVIDERS DURING 2017/18 (PAGE 51: MAIN DOCUMENT**

- a. What informed good performance while the project failed to be completed in time due to the late supply of materials?

**RESPONSE:** Because the projects were completed on time.

#### **QUESTION 06**

##### **KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (PAGE 59 MAIN DOCUMENT)**

- a. Out of the 40 electrical poles purchased and installed in the municipal supply areas, only 30 electrical poles were installed. Why did the 10 remaining electrical poles not installed during the adjustment budget? (Page 59).

**RESPONSE:** During adjustment the budget was still not available. This means that it was negatively adjusted.

- b. Installation of Emergency Transformers: The KPI is reported achieved while not included in the SDBIP. What informed the said KPI to be your target? (Page 59).

**RESPONSE:** The KPI was budgeted for and the naming was wrongfully captured

- c. Installation of Culverts and Construction of Wing walls in various villages: Why did you put the target while mentioning that there is a shortage of power? (Page 60).

**RESPONSE:** We continued with the target, thinking that it will be achieved with the little staff we have.

- d. Maintenance of recreational parks and cemeteries: What is the progress in terms of this KPI and what informed you to have unrealistic budget? (Page 62).

**RESPONSE:** We hope adjustment budget will address the challenge of budget.

#### **QUESTION 07**

##### **KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

- a. Three Senior Manager's Positions have been filled and one outstanding: What were the requirement for the position in order to attract a suitable candidate? (Page 66).

**RESPONSE:** Attached is a copy of an advert, to assist with the requirements of the post.

- b. Employee Wellness: When will the medical surveillance and the employee wellness campaigns be conducted? (Page 70).

**RESPONSE:** Medical surveillance was conducted on the 29<sup>th</sup> August 2018 while Employee Wellness was held on the 28<sup>th</sup> November 2018.

- c. Mayor's Marathon coordination: How many marathons did the municipality plan to have and what was the target aimed to be reached? (Page 70).

**RESPONSE:** Municipality planned one Marathon per year. Other Ward based activities are just a buildup events to one main Municipal Marathon

- d. Licensing and registration of vehicles management: Why did you plan to have the licensing and registration of vehicles while you do not have the budget and what is the plan in future to secure enough budget? (Page 71).

**RESPONSE:** The intention was to take services to the people and budget was to be made during adjustment budget

## **QUESTION 08**

### **KPA 3: LOCAL ECONOMIC DEVELOPMENT**

- a. **Support to LED Projects:** In which quarter in 2018 / 19 is the project aimed to be funded? (Page 76).  
**RESPONSE:** All LED projects were funded in quarter 3 of the FY 2018/19.

b. **Municipal EPWP and Municipal Capital Works Programme:**

- i. Why the register of beneficiaries have 200 EPWP job opportunities while the audited ones are 147?  
Relied on EPWP to compile & file and she left. Issue corrected.
- ii. Why did the KPI No 68, 69, 70 and 71 not corresponding with the audited ones and what is the assurance of the reliable audit in this regard? (Page 76 and Page 77).

**RESPONSE:** The other two KPIs came as a result of the two grants from CDM. The first one was Senwabarwana Waste Project, while the other was for Alien Plant project.

- c. **Collection of revenue from other sources:** Indicate the month or quarter when will other pieces of land be sold in 2018 / 2019 Financial Year? Page 81).

**RESPONSE:** Land will be disposed in the 4<sup>th</sup> quarter of the FY2018/19. The targeted sites are in Alldays nodal point with 200 sites to be disposed off.

- d. % of electricity losses reduced as per regulation: Lack of staff to conduct meter audit –
- i. When achieving the target in 2016/17, What Officials or Staff members did you use to achieve the target while unable to achieve in 2017 / 2018? (Page 88).

**RESPONSE:** EPWP workers were used, and we also plan to utilize them in the 2018/19 financial year.

- ii. How did the municipality manage to conduct the meter audit while experiencing lack of staff? (Page 88).

**RESPONSE:** Through the utilization of the EPWP workers.

## **QUESTION 09**

### **KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

- a. **Revenue Enhancement Strategy:** KPI 83: Collection of revenue from electricity sales as budgeted and KPI 84: Collection of revenue from property rates as budgeted.
- i. Why did the mentioned KPI's (83 & 84) not achieved and recurring for a long time? (Page 80).
- ii. When will the Municipality intervene to speed up the process? (Page 80).

#### **MANAGEMENT RESPONSE:**

- i. **Assessment Rates,** the Municipality billed and submitted invoices to the departments, however Departments dispute ownership of the properties (not registered in their asset register).
- ii. **Electricity Sales,** CDM delayed payments, however payment was received immediately after the intervention by the MM.

## **QUESTION 10**

### **KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

- a. **Audit Action Plan:** Indicate and specify when in 2018 /19 financial year will the target be resolved? (Page 90).

**RESPONSE:** Service Provider (Vodacom) has been appointed to deal with issues of connectivity. It is envisaged that the project shall be complete in 2019/2020

- b. **Ward committees sanctioned program:** Why is the municipality paying the 220 Ward Committees while the 10 Ward Committees are still having matters in court? (Page 94).

**RESPONSE:** Although the matter is still in court the elected ward committees are performing their duties and as such are paid their stipend

- c. **Mayors Bursary Fund:** The target on the shortlisting of the Mayors bursary candidate was done late, provide proper reasons why? (Page 95).

**RESPONSE:** The matter was put to hold pending investigations by the Internal Auditor as directed by Council.

- d. **Newsletter:** Previously the newsletter was achievable with 4 editions and why do you want to reduce it now? And why is the municipality unable to achieve this target since 2016/17 and 2017/18 Financial Years?

**RESPONSE:** Reduction was as a result of the effectiveness of social media, in which residents are able to access municipal information on a day-to-day basis, which counter the release of more newsletter. Again, the service provider failed to perform his responsibility of producing the document.

#### **QUESTION 11**

##### **KPA 6: SPATIAL PLANNING AND RATIONALE**

- a. **Spatial Development Framework:** Why is the municipality always experiencing the late appointment of Service Providers on the review of SDF?

b.

**MANAGEMENT RESPONSE:** During the time of late appointment, it was due to lengthy processes of SCM. Currently we have appointed a panel of planners for any Spatial Planning Project to avoid late appointments. Which is another way of speeding up appointments.

#### **QUESTION 12**

##### **AUDITOR GENERAL'S REPORT (PAGE 135)**

###### **Basis for qualified opinion**

###### **VAT receivable**

1. Why is the vat receivable matter recurring as follows:-
  - a. Poor record keeping of the Municipality.
  - b. Previous year impact = R11 864 775.
  - c. Current year impact = R5 339 386.
2. How does the municipality keep their records transactions to the Auditor General?
3. Explain and elaborate why you had errors of materials misstatements on property plant and equipment?
4. Even though errors were corrected, why did you have continuation errors on the said matters?

###### **MANAGEMENT RESPONSE:**

1. The matter was recurring due to non-responses to the returns made by SARS and as such the disallowed invoices were not attended to.
2. All expenditure records (vouchers) are kept safely at expenditure office
3. The error of material misstatement in the AFS happens due to mapping (caseware)

#### **QUESTION 13**

##### **EMPHASIS OF MATTERS**

**Uncertainty relating to the future outcome exception litigation. (Page 136, Paragraph 9)**

- a. Why didn't we have provision of litigation as outlined by the Auditor General?
- b. What is the plan in place to deal with them?

**MANAGEMENT RESPONSE:**

- a. We didn't have provision for litigation due to cash flow challenges.
- b. Provision shall be made in the 2019/20 financial year.

**QUESTION 14**

**Irregular Expenditure**

- a. Why did the municipality not follow a proper procurement processes which resulted in the irregular expenditure of R13 959 006? (Page 2 AG's Report and Page 136 Main document).
- b. Why effective steps were not taken to prevent irregular expenditure amounting to R11 958 853?

**MANAGEMENT RESPONSE:**

- a. The procedure were followed but oversight emanated from declaration of interest where the municipality used MBD 4 only on transactions above R200, 000.00 that are competitive bids.
- b. From 2016/17 the management managed to prevent irregularities relating to this kind of transaction

**Reliability: disagreement misstatements (Various Indicators)**

- c. Provide reasons why the reported achievements in the annual performance report did not agree to the supporting evidence provided for the indicators listed below?

| Indicator description   | Reported achievement | Audited value |
|---|----------------------|---------------|
| Number of jobs opportunities created and sustained municipal EPWP by June 2018,                                   | 200                  | 147           |
| Number of jobs created and sustained through EPWP alien plant project.  | 29                   | 45            |
| Number of jobs created and sustained through EPWP Senwabarwana waste project 30 June 2018.                        | 29                   | 76            |
| Number of jobs created and sustained through implementation of municipal capital works programme by 30 June 2018. | 320                  | 150           |

**MANAGEMENT RESPONSE: Refer to Question 8.1**

**QUESTION 15**

**Procurement and contract management**

- a. Why did management failed to follow effective steps on the following matters:- 38,39,40,41,42,44 & 46  
Paragraph 38. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

Paragraph 39. 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).

Paragraph 40. Sufficient appropriate audit evidence could not be obtained that bid specifications were unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM regulation 27(2)(a).

Paragraph 41. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44.

#### **MANAGEMENT RESPONSE:**

- a. Paragraph 38. The municipality had an understanding as per circular 62 that the MBD 4 can stand but AG hold different view.
- b. Paragraph 39. Management has an understanding that because there is an existing contract with set contractor then amendments to the SLA will suffice.
- c. Paragraph 40
- d. Paragraph 41. The Management were guided by circular 62 when contracting for goods or services. It was due to the realization that municipalities does not have a tool/s to verify whether directors are in the service of the state or not.

#### **QUESTION 16**

##### **Expenditure Management**

- a. Money owed by the Municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA, because this matter is recurring from previous years;
- i. What are the plans in place to rectify such?
  - ii. What is the root cause and what are the measures for improvements? (Paragraph 42: AG's report).

#### **RESPONSES:**

- i. The root cause of the matter is that invoices must comply with certain requirement before paid which takes time for service providers to correct.
  - ii. The plans in place to rectify this is that expenditure communicate with service providers who contracted with the municipality immediately upon receiving the invoices.
- b. Why did the effective steps not taken to prevent irregular expenditure amounting to R13 959 006 as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA? (Paragraph 43: AG's report).

**RESPONSE:** From 2016/17 the management managed to prevent irregularities relating to this kind of transaction.

- c. Reasonable steps were not taken to prevent and wasteful expenditure amounting to R286 631, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA and Why? (Paragraph 45: Page 7 AG's report).

**RESPONSE:** It was due to ESKOM invoices whereby once they issue it even within 30days they charge interest and the other dimension is that invoices where sent through post which takes time to reach the office. The matter is attended to through communication between the municipality and Eskom in that emails must be shared

##### **Human resource management**

- d. What caused the delay in managing the appropriate systems and procedures to monitor, measure and evaluate performance of staff which were also not developed and adopted as required by section 67(1)(d) of Municipal Systems Act, 2000 (Act No. 32 of 2000)?

**RESPONSE:** The Municipality does not have enough budget to implement Performance Management System

**QUESTION 17**

**Indicators and targets not approved**

Why did the Municipality reported on the indicator that was not approved in the SDBIP? (Paragraph 28: AG's report). It was noticed thereafter that it was not part of the plan.

**QUESTION 18**

**PARAGRAPH 44**

- a. Why did an adequate management, accounting and information system not in place which recognized expenditure?
- b. When was it incurred as required by section 65(2) (b) of MFMA?
- c. Why did they report on the indicator that was not approved?
- d. Why did the municipality fail to develop the technical indicator manual?

**MANAGEMENT RESPONSE:** AG was referring to various internal control deficiencies which were identified during audit, which related to expenditure management.

**QUESTION 19**

**VARIOUS INDICATORS (Page 140)**

- a. 150 EPWP Audited, why did the responsible department report the 320 report that was not achieved?
- b. Why did you fail to provide proper evidence?

**MANAGEMENT RESPONSE:**

- a. Refer to Question 8.1

**QUESTION 20**

**EXPENDITURE MANAGEMENT**

- a. Why did the Municipality fail to pay service provider's in time or 30 days? Page 142 number 46

**MANAGEMENT RESPONSE:** The payments made after 30 days was due to non-compliance with invoices as per SARS requirements by service provider.

**QUESTION 21**

- a. Why would the following various indicators not consistence :- (1,2,3,4 list the according to the table) eg % construction of internal street and storm water? (Page 13)

**MANAGEMENT RESPONSE:** It was as a result of the usage of numbers and percentages on different KIPs.

**QUESTION 22**

**ANNUAL FINANCIAL STATEMENT**

- a. Did the Mayor and the Speaker have S&T Allowances? Are they allowed to claim the travelling S & T?
- b. How did the Mayor accumulate an amount of R850, 00 and the Speaker accumulate an amount of R58, 509 under S & T? (Page 51 AFS and Page 196 Main Document).
- c. Who is the person at the top page of the Councilors Committee members without a basic salary and allowance and accumulated an amount of R427, 911?

**MANAGEMENT RESPONSE:**

- a. Yes the Mayor and the speaker qualifies to claim the travelling S&T aligned to upper limits issued by CoGTA.



- b. After claiming for SNT.
- c. Revised version of AFS has been provided and can be availed to the committee.

#### **QUESTION 23**

##### **ANNUAL FINANCIAL STATEMENTS, PERFORMANCE AND ANNUAL REPORTS**

- 1. Why did the Municipality fail to submit proper documents/AFS for Auditing?

##### **MANAGEMENT RESPONSE:**

- 1. The management managed to submit proper documents/AFS for Auditing

#### **QUESTION 24**

##### **MANAGEMENT REPORT**

- a. There were two matters that qualified the municipality which are Vat and Payable transaction.
  - i. What was the root cause for material misstatement?
  - ii. What is the corrective measures in place to rectify the situation?

##### **MANAGEMENT RESPONSE:**

- i. Vat non-responses to SARS returns- Respond to all returns and make follow up on the disallowed invoices
- ii. Payables (water), (Incorrect disclosed the written offs) – Management will verify disclosures for correctness

#### **7. ATTACHED FIND RESPONSES FROM MANAGEMENT ON THE QUESTIONS RAISED BY MPAC: MID – YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2018/19 AS “ANNEXURE C”**

##### **RESPONSES FROM MANAGEMENT ON THE QUESTIONS RAISED BY MPAC: MID – YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2018/19**

#### **QUESTION 01**

##### **Construction of Towerfontein Pre – School**

- a. Why was the target not achieved?
- b. Did the meeting with the Engineer which was scheduled for the 16<sup>th</sup> January 2019 finally held?

##### **MANAGEMENT RESPONSE:**

- a. Due to late submission of design by the consultant given the pace at which revenue was collected.
- b. Yes, the meeting was held and the Design was approved.

#### **QUESTION 02**

##### **Completion of Cooperspark community hall phase 2**

- a. When will the target be achieved?
- b. What is the progress on the project which was to be advertised by end of January 2018?

##### **MANAGEMENT RESPONSE:**

- a. Next financial year

b. The delay was caused by finalization of budget adjustment and Specification submitted to SCM for sourcing quotations.

**QUESTION 03**

**Installation of culverts and construction of wing walls in various villages**

- a. Why do you say the target was achieved while the 02 villages were installed culverts and constructed wing walls whereas the other 2 villages were only constructed with culverts only?

**MANAGEMENT RESPONSE:** Five (5) culverts were installed without construction of Wingwalls due to shortage of manpower.

**QUESTION 04**

**Electrification of Extensions at Witten**

- a. How did the Headman cause the delay during the handing over of Contractor to the site?

**MANAGEMENT RESPONSE:** The headman requested a detailed design report before issuing a Date for site Handover

**QUESTION 05**

**Electrification of Extensions at Raweshl, Cracouw, Earlydawn, Lekgwara and Oldlongside**

- a. What is the total number of households which was supposed to be connected to electricity to make the target be achieved?  
b. Out of the 143 households connected to electricity, how many households still outstanding to be connected?

**MANAGEMENT RESPONSE:**

- a. 143 household connection  
b. The project is still under construction

**QUESTION 06**

**Purchase of transformers**

- a. How many transformers were to be purchased and what is the progress on the purchase of transformers?

**MANAGEMENT RESPONSE:**

- a. We purchase as and when need arise, six transformers purchased so far,

**QUESTION 07**

**Mayor's tournament coordination**

- a. Why was the postponement of the tournament not brought before the attention of the Council?  
b. Which tournament did it clashes with?

#### **MANAGEMENT RESPONSE:**

- a. The postponement was brought before the January 2019 council whereby the mid-year report was presented. The report was presented as part of the SDBIP. The Mayor
- b. Tournaments such as Dondol and other local tournaments.

#### **QUESTION 08**

##### **Ethics and Disciplinary committee**

- a. What is the plan in place to encourage and improve good attendance of ethics and disciplinary committee meetings?

**MANAGEMENT RESPONSE:** The plan is to conduct a refresher workshop on council Rules of Orders where members will be directed to section pertaining to misconduct and non – attendance of meetings

#### **QUESTION 09**

##### **HR Committees**

- a. What are the steps taken against members that failed to form quorum of a meeting?
- b. What is the plan in place to improve the attendance?

#### **MANAGEMENT RESPONSE:**

- a. None/ No steps taken, as it was realized that they were engaged in other activities
- b. To plan the meeting on time, as well as to use other communication strategies such as emails and smses to remind them of the meeting.

#### **QUESTION 10**

##### **Licensing and registration of vehicles management**

- a. Why did you plan something which was not budgeted for?

**MANAGEMENT RESPONSE:** Responded previously on No.7.d

#### **QUESTION 11**

##### **Local Intergovernmental relations**

- a. What is the plan in place to make sure that local IGR forums meetings are held regularly according to the schedule?

**MANAGEMENT RESPONSE:** to issue out notices and documents on time as well as combining the meetings with those related, such as Community Saety Forum and Local Aids Council Technical Committee.

#### **QUESTION 12**

##### **Unemployed persons database**

- a. What is the plan in place for a better quality outcome?

**MANAGEMENT RESPONSE:** The department has refined the unemployment database, which will be taken to Council in the fourth quarter for endorsement and will be used for any recruitment that takes place within Blouberg municipality. It will be reviewed on an annual bases to verify the registered candidates and make additions. This will assist in getting the right candidate for the job with relevant skills in a centralized area within a short space of time.

### **QUESTION 13**

#### **Billing and collection of revenue**

- a. Why is the target not achieved while you collected R9,6 Million.
- b. How much is the total amount remaining in order to improve and achieve the budget?
- c. Land was not disposed as planned: Why?
- d. No meeting was organized during the period – Why was the meeting not held and what kind of political intervention is needed?
- e. There were few invoices which were paid after 30 days due to end users not satisfied – what is it that does not satisfy endusers and How does the dissatisfactorily affects the payments?

#### **MANAGEMENT RESPONSE:**

- a. The reasons differ according to the revenue sources
- b. R16 400.00
- c. It was due to objections received regarding the prices of the properties which was then resolved and adjusted by Council in February 2019. The sites are ready for disposal in the fourth quarter.
- d. The meeting was organized, however the community members requested the officials to leave the venue so that they can only meet politicians. Intervention required is, politicians to meet with their constituency
- e. Non- compliance with invoice as per SARS requirements.

### **QUESTION 14**

#### **Free basic services**

- a. Why is the target not achieved and what criteria did you use during the selection of the beneficiaries?

**MANAGEMENT RESPONSE:** The target was not achieved because the applicants submitted incomplete documents, in line with the indigent policy requirements, which are as follows: certified copy of ID, latest pay-slip or proof of income and, lastly, the latest electricity token.

### **QUESTION 15**

#### **Participation of traditional leaders council affairs**

- a. What is that makes the traditional leaders fail to attend the council sitting?
- b. How many council meetings did they manage to attend?

#### **MANAGEMENT RESPONSE:**

- a. The Makgato Traditional Authority was one designated for attendance of Blouberg Municipality sanctioned council sittings and no reasons were furnished for their non – attendance. The indicator was however, removed from the SDBIP by council held on the 28<sup>th</sup> January 2019.
- b. The Traditional Authority never attended any council meeting during the period in issue

### **QUESTION 16**

#### **Coordination of Ethics committee meetings**

- a. What is the plan in place to improve the coordination of ethics committee meetings?

**MANAGEMENT RESPONSE:** The plan is to conduct a refresher workshop on council Rules of Orders where members will be directed to section pertaining to misconduct and non – attendance of meetings

**QUESTION 17**

**Coordination of multiparty whippary meetings**

- a. Why is meetings not coordinated regularly even though allocated enough budget?
- b. Because it is not functioning, why is it not dissolved?

**MANAGEMENT RESPONSE:**

- a. Timing of such meetings was identified as a major problem as it mostly coincided with respective party caucuses, which often led to failure of such. Such meetings will henceforth no longer be tied to council sittings.
- b. We are confident that the Multiparty Whippary meetings will be regularly held and will be functional as they are very key to the council decorum

**QUESTION 18**

**Naming of streets and public amenities in Senwabarwana and Alldays approved by council**

- a. Why did you appoint the Service Provider while did not have a budget?

**MANAGEMENT RESPONSE:** The KPI mentioned above didn't involve appointment of a service provider. It is performed in-house with the LGN committee appointed by Council. However the challenge of non-achievement is the communities affected who are not holding meetings to propose names for their streets, public amenities etc.

**QUESTION 19**

**Municipal property disposal in Alldays**

- a. Why is the target not achieved while adverts for comments and objections were issued?

**MANAGEMENT RESPONSE:** It was due to objections received regarding the prices of the properties which was then negotiated, resolved and adjusted by Council in February 2019. The sites are ready for disposal in the fourth quarter.

Machaba Junias

**MACHABA JUNIAS**

**MUNICIPAL MANAGER**

22-03-2019

**DATE:**

**8. ATTACHED FIND ADDENDUM TO RESPONSES FROM MANAGEMENT TO QUESTIONS RAISED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE DRAFT ANNUAL REPORT 2017/18 AS "ANNEXURE D"**

# Blouberg Municipality



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## **ADDENDUM TO RESPONSES FROM MANAGEMENT TO QUESTIONS RAISED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE DRAFT ANNUAL REPORT 2017/18.**

**TO: MPAC CHAIRPERSON**

**CC: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**FROM: MANAGEMENT**

**DATE: 22<sup>nd</sup> MARCH 2019**

### **PURPOSE:**

The purpose of this submission is to respond to the Municipal Public Accounts Committee on the 2017/18 Draft Annual Report and Mid-year Budget and Performance Assessment report and including all issues raised in line with the findings of Auditor General's report regarding the Financial Statements and Performance report of the Blouberg Municipality for the year ended 30<sup>th</sup> June 2018.

### **QUESTION 06**

#### **KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (PAGE 59 MAIN DOCUMENT)**

- b. Installation of Emergency Transformers: The KPI is reported achieved while not included in the SDBIP. What informed the said KPI to be your target? (Page 59).

**RESPONSE:** The KPI was budgeted for and the naming was wrongfully captured. The KPI was supposed to read as purchase of transformers on an emergency basis. However management commit to making due diligence when compiling the APR so that it conforms to the SDBIP. This will assist in avoiding inconsistencies between the SDBIP and APR going forward.

**QUESTION 03**

**Installation of culverts and construction of wing walls in various villages**

- b. Why do you say the target was achieved while the 02 villages were installed culverts and constructed wing walls whereas the other 2 villages were only constructed with culverts only?

**MANAGEMENT RESPONSE:** Five (5) culverts were installed without construction of Wingwalls due to shortage of manpower. Public works assisted technical services in installing the culverts and that is why the Municipality was able to construct them and unable to construct wingwalls

Machaba Junias

**MACHABA JUNIAS  
MUNICIPAL MANAGER**

22-03-2019

**DATE:**

**9. ACHIEVEMENTS**

The Municipal Public Accounts Committee continuously managed to adhere to their scheduled meetings as per the committee's adopted action plan and attendance from both the Public Consultations and Public Hearing Session on the Draft Annual Report for 2017 / 2018 were a huge success as the turned out of the attendance being more than the expected target.

In some of the Clusters / Wards, there were more improvements with regards to the level of understanding the difference between the Draft Annual Report Public Participations and the IDP Public Participations.

**10. CHALLENGES**

- a. Most of the questions, inputs and comments raised were not related to the Draft Annual Report but instead they were raising their challenges and needs.
- b. Some of the community members turned to be angry when they were not allowed to raise questions which were not related to Draft Annual Report.

**11. PUBLIC CONSULTATIONS**

- a. The Public Participation Meetings were arranged according to Four (4) Clusters as follows: -
- i. Cluster A was convened at Raweshi Satellite Office on the 28<sup>th</sup> February 2019 and the following Wards attended: Wards: 01, 02, 04, 21 & 22. A total number of 148 registered their attendance for the Public Participation meeting at Raweshi Satellite Office.

ii.

- iii. **Cluster B** convened at **Inveraan Satellite Office** on the **04<sup>th</sup> March 2019** and the following Wards attended: **Wards: 03, 08, 09, 10, 11, 12, 14 and 19.** A total number of **375** registered their attendance for the Public Participation meeting at **Machaba Community Hall.**
- iv. **Cluster C** convened at **Langlaagte Satellite Office** on the **07<sup>th</sup> March 2019** and the following Wards attended: **Wards: 05, 06, 07, and 20.** A total number of **153** registered their attendance for the Public Participation at **MY – Darling Community Hall.**
- v. **Cluster D** conveyed at **Alldays Community Hall** on the **12<sup>th</sup> March 2019** and the following Wards attended: **Wards: 13, 15, 16, 17 and 18.** A total number of **185** registered their attendance for the Public Participation at **Alldays Community Hall.**
- vi. On the **26<sup>th</sup> March 2019**, the committee successfully held the **Public Hearing on the 2017 / 2018 Draft Annual Report** and a total number of **62** people attended the session which comprises of the **Management, Councillors and Community members.**

## **12. PROJECTS VISIT**

One of the most important aspects which must be performed by the **Municipal Public Accounts Committee**, is to conduct an oversight work by a way of visiting projects. **Kgatlu Creche and Cooperspark Community Hall Projects** were visited by the committee after the public consultations were held whereby some of the community members raised concerns over the projects. **THE REPORT IS ATTACHED AS ANNEXURE "E"**



# Blouberg Municipality



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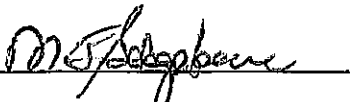
E-mail: [blou@bloubergmunicipality.co.za](mailto:blou@bloubergmunicipality.co.za)

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PROJECTS VISIT REPORT FOR THE 03<sup>RD</sup> QUARTER (MARCH 2019)

| NAME OF THE PROJECT | DATE VISITED                | SCOPE OF WORK AND PROJECT STATUS   | FINDINGS   | RECOMMENDATIONS   |
|---------------------|-----------------------------|--|--|---|
| KGATLU CRECHE       | 25 <sup>TH</sup> MARCH 2019 | <p><b><u>SCOPE OF WORK</u></b></p> <p>The scope of work in summary is as follows: -</p> <p>240m2 Building.<br/>Office Furniture.<br/>Fully Furnished Kitchen.<br/>Playing ground with jungle gym.<br/><br/>VIP Toilet.<br/>200 m Fence with main and pedestrian gates.</p> | <p>The project has been handed over to the community during the 2017 financial year.</p> <p>Some of the snags identified earlier were addressed by the Technical Services Department before the project can be handed over.</p> <p>There is a need for the replacement of the water machine (Dumbbell pump).</p> | <p>The committee recommended that the identified snags such as the window handles, entrance door and outside toilet door which were lately addressed by the department and still recurring, be the responsibility of the Creche Caretakers.</p> <p>The committee further recommended that the Creche Caretakers should liaise with the CPW and EPWP staff members to assist them in cleaning the entire</p> |

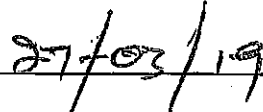
|                             |                             |   |   |  |
|-----------------------------|-----------------------------|---|---|--|
|                             |                             | <p>Equipped borehole with 10 000L elevated Plastic tank.<br/>Fence, Electrical Connections and Sewer Connections.</p> <p><b><u>PROJECT STATUS</u></b></p> <p>The project has reached the final completion stage.</p>  |   | <p>premises of the Creche as it is not user friendly to the children.</p>  |
| COOPERS PARK COMMUNITY HALL | 25 <sup>TH</sup> MARCH 2019 | <p><b><u>SCOPE OF WORK:</u></b></p> <p>The scope of work in summary is as follows: -</p> <p>Site Clearance<br/>Repair and Renovation of Roof.<br/>Construction of concrete floor slab.<br/>Installation of Ceillings, doors and locks (Ceiling referred to the next phase).<br/>Plastering and Painting of all internal walls (Painting referred to the next phase).<br/>Installation of glazing and Eskom power connection (60A)<br/>Installation of new gate and fence.</p> | <p>Poor workmanship has been experienced from the project.</p> <p>The following snag list were identified: -</p> <p>Installation of the shooter at the main front door.<br/>Water tank tap leakage.<br/>Slaps and edges to be corrected.</p> <p>There is a need of the maintenance (Cleaning) in the entire premises.</p> | <p>The Committee recommended that the Contractor responsible for the project be contacted in order to address all identified snags.</p> <p>The Committee further recommended that the CPW and EPWP staff members be requested to clean the premises.</p> |

|  |  |   |  |
|--|--|---|--|
|  |  | <p>Drilling of borehole<br/>(connected to the<br/>community line).<br/>Plumbing, sewer<br/>connection and septic<br/>tank.</p> <p><b><u>PROJECT STATUS</u></b></p> <p>The project is at the<br/>completion stage and<br/>awaiting for the<br/>second phase.</p> |  |
|--|--|---|--|



CLLR. SEKGOLOANE M.J

CHAIRPERSON: MPAC



DATE

### 13. RECOMMENDATIONS ON THE 2017 / 2018 DRAFT ANNUAL REPORT AND THE MID - YEAR ORGANIZATIONAL PERFORMANCE REPORT

The Municipal Public Accounts Committee considered the revised 2017 / 2018 Draft Annual Report and therefore recommend that the council of Blouberg Municipality approves the Draft Annual Report based on all activities held to strengthen the compliance and also to serve as a permanent and true reflection document of what had transpired during the public consultations processes which covered all wards of the municipality and the responses acquired from the management of Blouberg Municipality during the public hearing session held on the 26<sup>th</sup> March 2019 at Municipal Council Chamber.

**After the Public Participations and Public Hearing Sessions, the committee identified and also assessed the following issues: -**

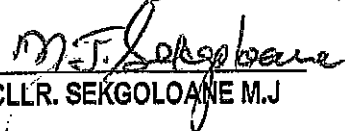
- i. High volume of the non – attendance by EXCO members to MPAC activities.
- ii. Non – attendance of some of the departments during the public hearings e.g. Technical Services and Finance Departments.
- iii. Executive Committee Members and Management not adhering to time management during the Public Participations.

- iv. Some of the community members still struggle to differentiate Issues related to MPAC Public Participation and IDP Public Participations activities.
- v. Ward Councillors should spread the message and encourage community members to attend the public participations in order to avoid the fruitless expenditure incurred on the transport arranged to ferry people during the public participations.
- vi. The Draft Annual Report is selective in such a way that it does not include all incidents happened in the municipality, eg. Mayor's accident, Robbery occurred at Raweshi Satellite Office and Traffic Station, Intern's incident and Dithipe Programme.

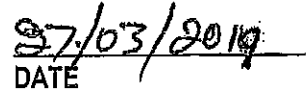
**14. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S RECOMMENDATIONS TO COUNCIL OF THE 29TH MARCH 2019**

a. The Municipal Public Accounts Committee therefore recommend to Council to adopt the report with noting of the following: -

- i. That Council note the highlighted challenges and assist the committee to rectify the identified challenges.
- ii. That the municipality should adhere to the SDBIP, e.g Targets achieved are not reported in the SDBIP.
- iii. That all the committee's previous recommendations be implemented as they were already adopted during previous council sittings.
- iv. The committee still recommend that they be office space with fully equipped office resources.
- v. That the position of the MPAC Coordinator be implemented as it was adopted previously during council sittings.

  
CLLR. SEKGOLANE M.J

CHAIRPERSON: MPAC

  
DATE

# Blouberg Municipality



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TO WHOM IT MAY CONCERN

SUBJECT: BLOUBERG MUNICIPAL COUNCIL RESOLUTIONS

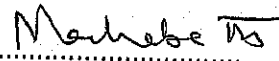
1. RESOLUTION  
C (115) 2018/2019

2. IN RESPECT OF  
Report on Municipal Public Accounts Committee (MPAC)'s Oversight Report on the 2017/2018  
Annual Report

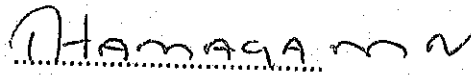
3. RESOLVED TO  
Approve the Municipal Public Accounts Committee (MPAC)'s Oversight Report on the 2017/2018  
Annual Report without any reservations

4. DATE OF RESOLUTION  
29 March 2019

APPROVED BY

  
MACHABA JUNIAS  
MUNICIPAL MANAGER

CONFIRMED BY

  
THAMAGA M.N  
SPEAKER