2017/18 ANNUAL REPORT

DR. KENNETH KAUNDA

DISTRICT MUNICIPALITY

2017/18

VISION: Exploring prosperity through sustainable service delivery for all

MISSION: To provide an integrated district management framework in support of quality service delivery

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LIST OF ABBREVIATIONS

ABP	Area Based Approach
ACLA	Advisory Commission Land Allocation
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated Shared Growth Initiative of South Africa
BEE	Black Economic Empowerment
BFHI	Baby Friendly Hospital Initiative
CASP	Comprehensive Agricultural Support Programme
CFO	Chief Financial Officer
CHC	Community Health Centre
CHS	Community Health Service
CHW	Community Health Worker
COGTA	(Department of) Cooperative Governance and Traditional Affairs
COHASA(COHSASA)	Council for Health Service Accreditation of South Africa
CSOs	Civil Society Organizations
DACE	Department of Agriculture Conservation and Environment
DBSA	Development Bank of Southern Africa
DLGTA	Department of Local Government and Traditional Affairs
DEAT	Department of Environmental Affairs and Tourism
DHP	District Health Plan
DLA	Department of Land Affairs
DMP	Disaster Management Programme
DOA	Department of Agriculture/Dead on Arrival
DOTS	Directly Observed Treats
DPLG	Department of Provincial Local Government
DPW	Department of Public Works
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
EAP	Employee Assistance Programme
ECD	Early Childhood Development
EDL	Essential Drug List
EDSC	Environmental Data Standard System
EPWP	Extended Public Works Program
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GGP	Gross Geographic Product
GIS	Geographic Information System
GITO	Government Information and Technology Office
GNP	Gross National Product
GRAP	General Recognized Accounting Practice
GVA	Gross Value Added
GVA-R	Gross Value Added by Region
HIV	Human Immune Virus
HOD	Head Of Department
IDP	Integrated Development Plan
IDT	Independent Development Trust
IGR	Inter-Governmental Relations
IMCI	Integrated Management Of Childhood Illnesses
INP	Integrated Nutrition Programme
ISRDP	Integrated Sustainable Rural Development Programme
IT	Information Technology
JDF	Joint Development Forum
JIPSA	Joint Initiative on Priority Skills Acquisition
KEDEP	KOSH Early Development Programme
KOSH	Klerksdorp-Orkney-Stilfontein-Hartebeesfontein
KPA	Key Performance Area
KPI	Key Performance Indicator
LA	Local Authority
LDO	Land Development Objectives
LED	Local Economic Development
LG	Local Government

LTS	Land Tenure System
LUMS	Land Use Management System
MFMA	Municipal Finance Management Act
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MSDF	Municipal Spatial Development Framework
MSIG	Municipal Systems Improvement Grant
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
MTSF	Medium Term Strategic Framework
NDA	National Development Agency
NGO	Non-Governmental Organization
NQF	National Qualification Framework
NSA	National Skills Authority
NSDP	National Spatial Development Perspective
OHSA	Occupational Health and Safety Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PIMSS	Planning Implementation Management Support System
PMS	Performance Management System
PMTCT	Prevention from Mother to Child Transmission
PSC	Public Service Commission
PSDF	Provincial Spatial Development Framework
RLCC	Regional Land Claims Commission
RPL	Recognition of Prior Learning
SAPS	South African Police Services
SAQA	South African Qualification Authority
SASSA	South African Social Services Agency
SDF	Spatial Development Framework
SDL	Skills Development Levy
SDM	Southern District Municipality
SEA	Strategic Environment Assessment
SMME	Small Medium and Micro Enterprise
SOE	State of the Environment
SOP	Standard Operating Procedure
STI	Sexually Transmitted Infection
TADSA	Technical Aid To The Disabled in South Africa
TB	Tuberculosis
UNESCO	United Nations Education, Science and Cultural Organization
URP	Urban Renewal Programme
VIP	Ventilated Improved Pit-latrine
WSA	Water Services Authority
WSDP	Water Services Development Programme

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



The 2017/18 Annual Report is the second report since the 2016/17 Local Government elections. It is with great honour to present the 2017/18 Annual Report and to acknowledge the most important stakeholders of this district, the beloved communities we are serving.

We continue to serve with integrity, honesty and mostly to address the needs of our communities and address the backlogs that we currently have within the Dr Kenneth Kaunda District. The main challenge is that, the District plans and implements the needs and backlogs that are within the powers and functions of the district and with limited financial resources.

It has again for 2017/18 financial year became very important that we as the district focus on Villages, Townships and Small Towns in supporting SMMEs, Cooperatives, Youth Programs and projects including financial assistance on those who intended to further education in higher learning institutions. High number of unemployed individuals especially youth is not only a national crisis but affects us as the district as well. With the grant received through EPWP and our internal funding we have managed to create at least 335 opportunities through LED Initiatives, EPWP, and Capital project, Disaster Risk Volunteers, CBPs and Coordinators.

It is imperative that we assist those who need to further education, thus we have set aside R R2.7 Million for applicants. I am pleased to report that 168 students were assisted to further their education and other 10 individuals where assisted with educational needs based on requests received. The district municipality supported Lebaleng Busary Fund, which held fundraising walk from Johannesburg to Wolmaranstad. We believe that this program will open doors to many and increase the number of graduates who will have potential to contribute in the corporate world and/or start SMMEs and Corporatives which the district also assists in improving the businesses.

The district continued to give grants through District Economic Development department. We are proud to say that we assisted Dinonyana Group that was nominated on the 2018 SAMA awards to participate during the ceremony. Amongst other we remember Kagiso Marumo from Orkney, who was assisted to participate in the Sport IQ. We continued to support different sporting codes, such as:

- The launch the new logo of north west cricket board
- Partnership with South African Table Tennis Board at ballroom hall North West Table Tennis for championship Board
- Supported Provincial SAMSRA Games At JB Marks

We believe that if we work together we can do more, thus we have partnered with institutions such as Aganang FM and other private

businesses to hold "Collect a Can" to assist the district in reaching its set target to deliver food parcels to the identified stressed individuals and NGOs.

With the limited funds the district has, we realise the need for locals, government sectors to join in developing and/or improving programs that are already in place and has potential in changing the lives of the communities to the better, we have Maquassi Hills and JB Marks Youth council that needs to be assisted, Albinism, Gender, elderly, disability programs that can better the lives of the community if implemented jointly with departments, businesses and other structures the impact realised can change the perception of the district and North-West Province at large for the betterment of the communities we serve.

2018/19 Future Actions

Dr Kenneth Kaunda District Municipality strives to better the audit opinion, to receive unqualified audit opinion with no findings "Clean audit".

We are continuously knocking at doors where there's potential funding to assist the district in raising its revenue though powers and functions allocated and to work together with our communities, local municipalities, sector departments and other institutions.

Again we have set aside 3 Million rand and increased the target to 250 as compared to the actual number of 168 individuals who were offered financial assistance to further studies at higher institutions. The district is working closely with Social Development in identifying the disabled individuals to be assisted with assertive devices worth R300 000.

R 480 000 is set aside for youth programs/projects and the district will continue to issue grants to SMMEs and Cooperatives. It should be noted that with these limited funding the district assist all communities within the district and therefore individuals are also encouraged to knock at the doors of their respective local municipalities for opportunities that arises.

Agreements/partnership: announcements on special partnership initiated

The relationship of the district and local municipalities has been at all times conducive over the years. Dr Kenneth Kaunda District Municipality will continue to sustain the partnership with government departments and other stakeholders to improve service delivery

Conclusion

Council of Dr Kenneth Kaunda District Municipality had both good and tough times when taking decisions that were unpopular all in the name of putting the needs of communities first while we ensure that we plan and implement projects and programs that are within our powers and functions. The district intends to appoint Section 57 Senior manager posts in the 2018/19 financial year to assist as technocrats to steer the ship where council's objectives are set.

Signed by

Alderman Barei Elizabeth Mosiane-Segotso
Executive Mayor

COMPONENT B: MUNICIPAL MANAGER'S EXECUTIVE SUMMARY



I am humbled to present the Annual Report of the Dr Kenneth Kaunda District Municipality. The annual report is developed according to the guidelines of Circular No. 63 of September 2012 as defined by the Municipal Finance Management Act (MFMA), No. 56 of 2003. Section 121 of the MFMA prescribes that Municipalities and their Entities (Dr Kenneth Kaunda District Economic Agency in this case) prepare Annual Reports and put forth the required contents thereof. It further states that;

(2) The purpose of the Annual Report is:

(a) to provide a record of the activities of the municipality or entity during the financial year to which the report relates;

(b) to provide a report on performance in service delivery and budget implementation for the financial year;

(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and to reduce the additional reporting requirements that will other

Dr Kenneth Kaunda DM is a Category C municipality, with Executive Authority, and has three Category B municipalities (Maquassi Hills, Matlosana & JB Marks). The district coordinates service delivery in general, but all the local municipalities have Water Service Authority status. It stands to reason that the local municipalities also provide basic services (water, sanitation, electricity, waste removal and to a certain extent provision of housing) in collaboration with the four family of local municipalities.

The Dr Kenneth Kaunda District Economic Agency shares economic development functions with the DM, and has a Board of Directors and functional organizational personnel. The Agency is funded and reports directly to the DM within agreed upon structures and enjoys shared services like Internal Audit and Audit Committee. Provincial and National Sector Departments in the province have strong formal structural relations with the DM and have always been available to provide expert advice, assistance and material support wherever and whenever required.

The IDP Sector Departments Engagements, the IDP Representative Forum, Technical IGR, Disaster Advisory Forum, and the Municipal Manager's forum are just an example of some of the formal functional structures in the district.

ALIGNMENT OF SERVICES TO THE IDP & COUNCIL PRIORITIES

The District Municipality is on its second year of implementing the 5 year IDP adopted and approved by council with the main focus implementing on the district on their Powers & Functions and being able to differentiate these from the support that is given to local municipalities within the district.

It is worth mentioning that the 1st piloted implementation of Municipal Health and Environmental Services District By-Law has been very successful in JB Marks Local Municipal area during the year under review. This is one of the revenue enhancement initiatives derived from the strategic objectives were revenue opportunities were realised. Other identified PPP Projects were presented to National Treasury to source advice and guidance.

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SERVICE DELIVERY PERFORMANCE

We identified the need for developing the Spatial Development Framework (SDF) in 2017/18 for the District and to put aside funds, R750 000 in 2018/19 financial year to implement the project.

The District Department of Municipal Health and Environment Management stood tall and heard the call when the outbreak of listeriosis hit. The department rolled out awareness campaigns until the outbreak was declared no more active. Through our Municipal Health Services we continued to ensure that our district and sister local municipality's aspirations to have Blue Drop drinking water status can be achieve and in some cases sustained we regularly tested the compliance status of the drinking water quality status on sampled water taps and from water reservoirs and the progressive results are pointing to the right direction.

We continue to play our coordinating role that includes and is not limited planning .The development of the District Road Assessment Management Systems (RAMS) continued and the allocated for the year under review was fully spent. The programme continues further to 2018/19 financial year. Once completed the district and local municipalities within its area of jurisdiction will be better empowered regarding knowledge of the maintenance and upgrading need for the road infrastructure assets.

The district has continued to allocate from the equitable share grants to deserving SMME's to implement community socio-economic programs and support program under Economic development and Tourism.

Disaster awareness, community based disaster Risk assessments and reduction programmes continued to be rolled out and as a result the district is proud to report that there has been a serious reduction of veld-fires and vulnerability to disaster incidents in the district. The involvement of schools at our "Be Safe Centre" that is located at the District Disaster Centre was increased with learners taking part in programmes that increased their disaster resilience and preparedness.

FINACIAL SUSTAINABILITY AS REPRESENTED BY FINANCIAL HEALTH RATIOS

The District Municipality is wholly grant dependent due to its powers and functions. The municipality operated of a total budget of R 187 607 000 with total Expenditure of R178 059 000. It is the intention of the municipality to start to build up reserves, with little savings and/or surplus we gain. The municipality has not intentions in carrying the financial responsibility of the free wifi when contract ends on first quarter of 2018/19; engagements have already started with the relevant national departments with a view to encourage other government stakeholders to can invest in the project.

The municipality will continue to explore other programs that will strengthen the liquidity ratio to an acceptable norm as required by ensuring that expenses incurred are budget for, necessary and there is value for money on goods/ services received.

ADMINISTRATIVE POLICIES

The District Municipality has introduced cost cutting measures in line with the National Treasury circular:

- Eliminated dedicated departmental Entertainment Budget for the Section 57 employees.
- Reduced the number of delegates attending conferences
- International trips for the year under review did not take place and as a district we are in supporting to the process for informing the Department of International Relations before engaging on any International trips.

We targeted fully implement MFMA Section 32, MFMA Circular 68 (UIF&W Register) in 2016/17. For the year under review we have compiled the UIF&W registers starting the work for prior years, worked with both Provincial and National Treasury for assistance and guidance and have delegated an official to champion the compilation process. The process for fast-

tracking the investigation is on-going and will be strengthen once the relevant committee in this regard has been established by Council in 2018/19.The Municipal Public Accounts Committee was influential in providing oversight on the matters.

The need for conducting skills audit and organisational structure review was identified and these are programs that will unfold in the 2018/19 financial year with assistance from departments such as COGTA, DLGHS. The programmes once completed will contribute positively to improve the municipal transformation and organisational development which is one of our Key Performance Area.

SHARED SERVICES

In line with performing on our key area and or function for support to local municipalities, the District Municipality has an Internal Audit and Audit Committee shared services agreement with the Maquassi Hills Local Municipality and the District Economic Agency. The purpose is to assist the local Municipality in improving its audit outcome through auditing of their financial and performance reports. We acknowledge that this is a process.

CONCLUSION

The district remains focus irrespective of having had challenges with employees leaving for greener pastures and exposure. We are proud of them as most are still contributing positively in the local government sector. The challenges brought about by having most functionaries that were still learning and coming to terms with the MSCOA process remained and affected our audit outcome. We are however determined and committed to attaining a clean and or to improved audit opinion going forward .Delivering the most needed services to our communities within our powers and functions as a district municipality is very important to us.

Thank You



Ms SM Lesupi
Municipal Manager

INTRODUCTION

The Dr Kenneth Kaunda DM consists of three local municipalities i.e. Matlosana, JB Marks and Maquassi Hills. The area covered by the District Municipality appears on the map below (Figure B.1) and this is followed by the demographics. The statistical information is the combination of the Census 2011, the 2016 Community Survey by StatsSA and the IHS Markit Regional eXplorer, the Dr Kenneth Kaunda DM Spatial Development Framework of 2011 and other analyses described hereunder. The analyses are based upon the demarcation boundaries as at 2016 provided by the Municipal Demarcation Board (MDB) of the Republic of South Africa.

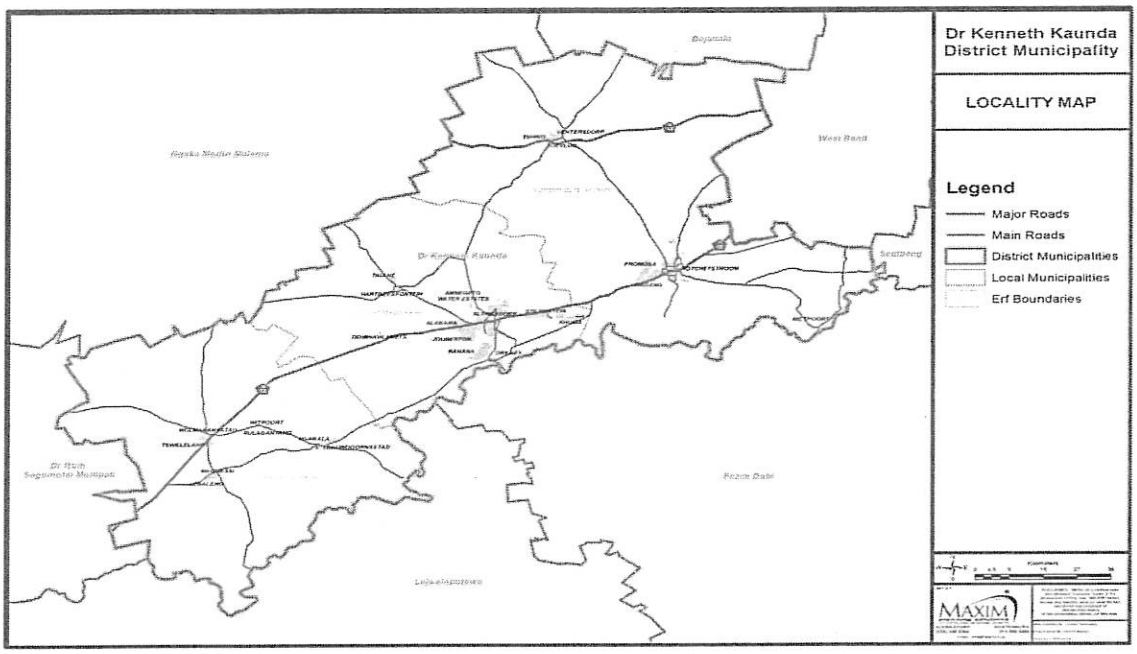


Figure B.1: Map of Dr Kenneth Kaunda District Municipality

THE MUNICIPAL DEMOGRAPHICS

Total Population

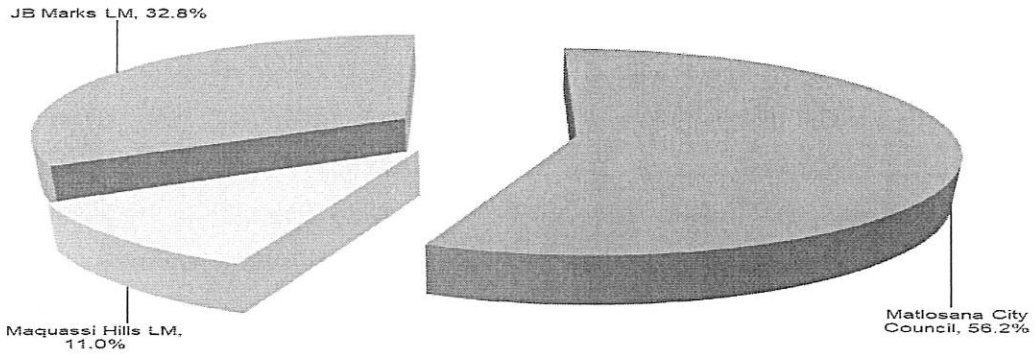
According to Statistics South Africa (Community Survey 2016), the population of the Dr. Kenneth Kaunda District (based on 2016 municipal boundaries) is 742 822, increased from 695 934 in 2011 (Consider Table B.2.1). The population is unevenly distributed among the three (3) Local Municipalities and the average annual growth rate of the district is 1.07% which dropped from 1.16% between 2001 and 2011.

Municipality	Total Population			Population (%)			Annual Growth (%)	
	2001	2011	2016	2001	2011	2016	2001-11	2011-16
JB Marks (NW405)	171431	219464	243528	28.59	31.54	32.78	1.28	1.11
City of Matlosana (NW 403)	359202	398676	417281	59.90	57.29	56.18	1.11	1.05
Maquassi Hills (NW 404)	69037	77794	82013	11.51	11.18	11.04	1.13	1.05
Dr Kenneth Kaunda (DC40)	599670	695934	742822	100	100	100	1.16	1.07

Table B.2.1: Dr Kenneth Kaunda District Population Figures

The majority of the Dr. Kenneth Kaunda District population reside within the City of Matlosana LM (56.18, down from 57.29% in 2011), followed by NW405 JB Marks (32.78, up from 31.54% in 2011). The Local Municipality with the lowest population in the Dr. Kenneth Kaunda District is Maquassi Hills (11.04, down from 11.18%). The number of wards per local municipality is Matlosana (39), JB Marks (34) and Maquassi Hills (11) for a total of 84 in the DM, as on September 2016 (Statistics SA, Census 2011, and Community Survey 2016). The number of households within the Dr. Kenneth Kaunda District was estimated at about 221 400 in 2016, from 203 331 in 2011 (IHS Markit Regional eXplorer Version 1160).

Figure B.2.1 Population of Dr Kenneth Kaunda DM (Percentage Distribution)

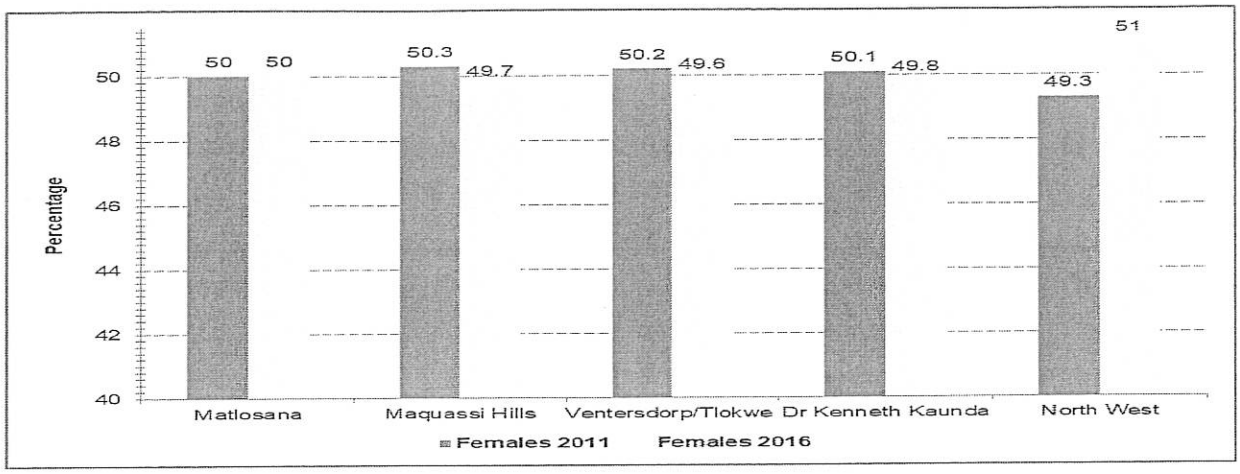


Source: Statistics SA, Community Survey 2016

Population by Gender

The gender structure of the North West Province, Dr Kenneth Kaunda DM and its constituent local municipalities is depicted in Figure B.2.2. This information indicates a fairly equal distribution between male and female population in all constituent municipalities. The proportion of the female population is for NW405 JB Marks, 49.6%, Matlosana, 50%, Maquassi Hills, 49.7%, and Dr Kenneth Kaunda DM averages at 49.8, while the NW Province sits at 51%.

Figure B.2.2: Percentage Female Population, 2011 and 2016 Source: Statistics SA, Census 2011 AND Statistics SA, Community Survey 2016



There are no apparent significant changes that have occurred between 2011 and 2016 in terms of gender population. It would normally be expected that the gender structure of the population in an area dominated by the mining sector (such as Matlosana) is dominated by males due to the presence of migrant workers. The continuous closure of mines has seen the male: female population percentage ratio in Matlosana at almost 50:50 (percentage points). This is consistent with the Census of 2011 and the Community Survey of 2007 estimates.

Population by Age

The population pyramid (Figure A.1.3) indicates that there were more people in younger ages, particularly in age groups 0–4 and 5–9, and less people in older ages, particularly from the ages 65 and older. A new cycle of the pyramid is being developed from the lower ages, barring some significant changes in the mortality rates. The graph explicitly indicate that from about ten (10) to twenty (20) years ago, infant mortality was high, hence the indentation in the pyramid. The population distribution has, however, followed a normal distribution for the past ten years. This may be attributed to the increasing quality of health care which contained the epidemic successfully. The department of Health is better positioned to explain the reasons for the high infant mortality which occurred in the past ten to twenty years timeframes.

Population by Province of Previous Residence

According to Table B.2.4, the highest number of immigrants from outside the province comes from the Gauteng Province, followed by the Free State, then those outside the Republic of South Africa, and then the Eastern Cape Province.

Table 2.4: Population numbers by Province of Previous Province

MUNICIPALITIES	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-natal	North west	Gauteng	Mpumalanga	Limpopo	Outside SA	Do not know	Not Applicable	Unspecified	Total
City of Matlosana	310	1070	498	2589	446	30984	3477	361	750	1618	99	375013	69	417282
Maquassi Hills	20	19	49	350	-	6599	333	-	458	239	-	73944	-	82012
JB Marks	630	459	484	2017	425	15025	5081	474	834	617	75	217388	17	243527
Dr Kenneth Kaunda DM	960	1548	1031	4956	871	52608	8891	835	2042	2474	174	666345	86	742821

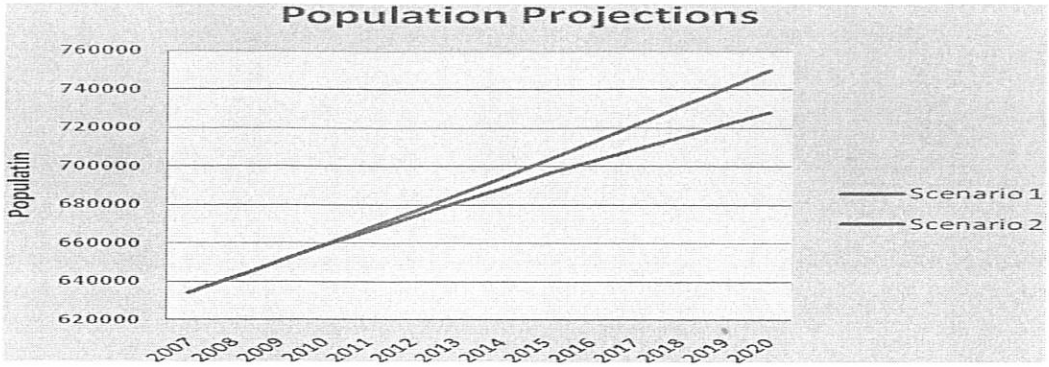
Population Growth Rate

The population growth figures for the district between 2011 and 2016 are summarized in Table B.2.1 and Figure B.2.5. According to the official Statistics SA data, the total population have increased from 695 933 in 2011 to 742822 in 2016. The average annual growth rate has declined from 1.18% between, 2001 to 2011, to 1.07% between 2011 and 2016. This growth rate is significantly lower than 2.1% which is necessary to maintain the current population levels constant

.

Various population growth rates are being utilized for the purpose of population projections in various existing policy documents and plans. Two alternative population projections, utilizing the base year figure in 2007 was provided by Statistic SA and is restated for the purpose of the SDF. The first scenario assumes a constant annual growth rate remaining at 1.3% per annum from 2007 to 2020. The second scenario assumes a decreasing growth rate estimating a figure of 1.3% per annum up to 2010, a figure of 1.1% per annum from 2011 to 2015, and 0.9% from 2016 to 2020. The projected 2020 population figures, based on these alternative scenarios will be 750 000 and 728 000 respectively by 2020.

Figure B.2.4: Population Projections, 2007-2020



The population characteristics and trends as referred to above take cognizance of migration trends to and from the district and its surrounding areas.

Population Education Levels

The status and changes in the education profile of the district population between 2001 and 2016 is given in Table B.2.6 and depicted on Figures B.2.6 (a) to (b). There has been a significant improvement in overall skills levels, most notably the decrease of adult illiteracy by 0.67 as a percentage of the population. In addition, the percentage of people without matric have decreased by 0.91%, with a corresponding increase in the proportion of population with matric 0.05%), matric and bachelor's degrees (or equivalent qualification (0.52%) and matric plus postgraduate degrees (or equivalent qualification (0.08%)).

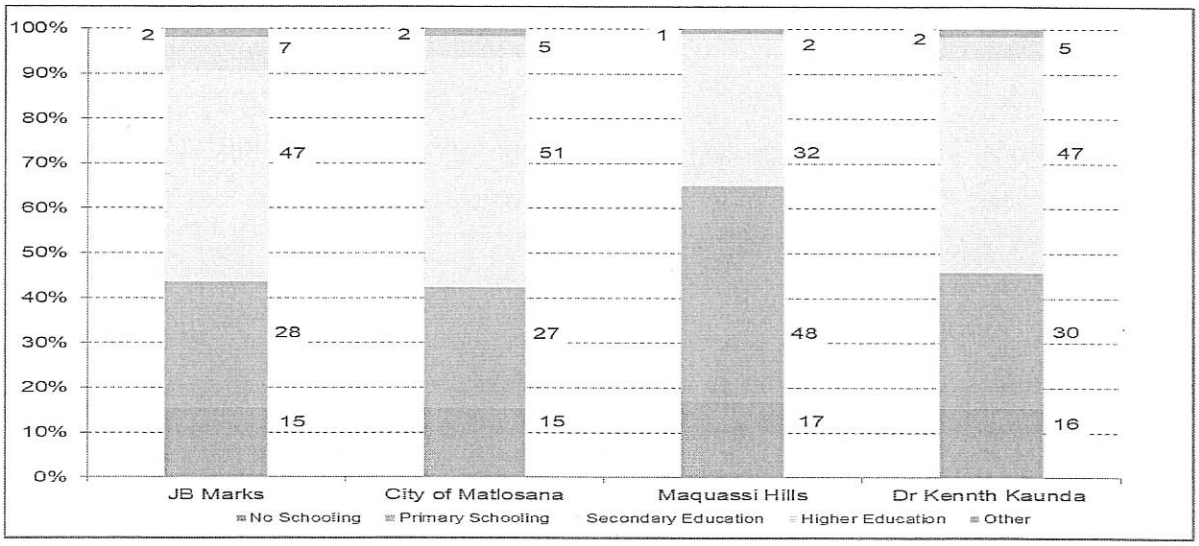
Matlosana has the highest proportion of the population with matric (51%), with the lowest proportion in Maquassi Hills (32%). Maquassi Hills has also a corresponding higher percentage of the population with a qualification of less than matric at 48% (district average is 30%) and slightly higher percentage of the population without any schooling at 17% (just higher than the district average of 16%). The newly established (through a merger of Ventersdorp and Tlokwe) municipality has a higher percentage of the population with qualifications higher than matric at 9% to the district average of 7%.

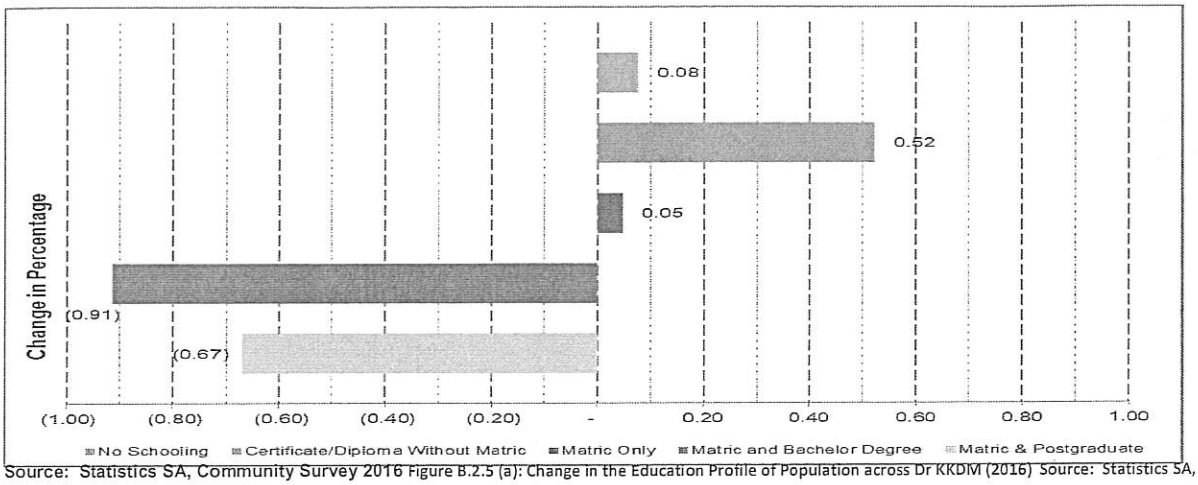
Table B.2.6: Education Profile of Population older than 20 Years (2001-2016)

	Dr Kenneth Kaunda			City of Matlosana			Maquassi Hills			JB Marks		
	2001	2011	2016	2001	2011	2016	2001	2011	2016	2001	2011	2016
No schooling	59968	41333	39545	30996	18836	18177	13084	10026	8143	15888	12471	13225
Certificate / Diploma without Matric	219753	237853	249438	138467	139604	142587	19814	24596	27906	61472	73653	78945
Matric only	74003	116527	125902	46846	70972	75369	4842	8566	9631	22315	36989	40902
Matric & Bachelors Degree	22563	34301	40855	12780	19731	22812	1268	1903	2182	8515	12667	15861
Matric & Postgrad Degree	3279	8259	9477	1147	3344	4044	94	290	332	2038	4625	5101

Source: Statistics SA, Community Survey 2016

Figure B.2.5 (a): Education Profile of Population Older than 20 Years (2016)





Source: Statistics SA, Community Survey 2016 Figure B.2.5 (a): Change in the Education Profile of Population across Dr KKDM (2016) Source: Statistics SA, Community Survey 2016

Spatial Analysis

The spatial analysis of the Dr Kenneth Kaunda DM is given in the Spatial Development Framework (SDF) review document adopted in March 2011. The review, which started in 2009, was of the original 2004 document which had become outdated due to the many developments that had occurred since it was completed-including Merafong City Local Municipality being incorporated into and out of the District Municipality.

Analysis and additional information, including the Strategic proposals based on both the 2004 and the 2011 adopted documents, is given under Chapter D of this IDP. The 2011 SDF will be reviewed in the 2018/19 financial year.

Social and Economic Analysis of Patterns, Trends and Risks

The analysis of patterns, trends and risks in the Dr Kenneth Kaunda DM are given in the Southern District Growth and Development Strategy (GDS) which was developed in 2005 and reviewed in February 2007. During the 2008/09 Financial Year, the DTI collaborated with the Dr Kenneth Kaunda DM to develop the latter's Local Economic Development (LED) Strategy. The analyses that follow are mainly derived from statistical information provided by Statistics SA, 2016 Community Survey and IHS Markit Regional explorer:

Access to Basic Services

The following table indicate the access to basic services for households within the DM, according to the Statistics SA, 2016 Community Survey.

Table B.4.1 (a): Access to Basic Services

	Percentage Access to Basic Services								
Municipality	Electricity: Cooking	Electricity: Lighting	Electricity: Space Heating	Electricity: Water Heating	Electricity: General	Formal Refuse Removal	Access to Safe Drinking Water	Sanitation (Connected to a public sewerage	Formal Dwelling
City of Matlosana	90.9	95.7	69.6	91.5	96.0	95	85.4	95.4	91.6
Maquassi Hills	90.4	96.6	53.1	87.9	94.5	76.8	92.2	87.9	87.3
JB Marks	82.9	91.4	52.1	85.2	92.9	79.6	89.9	77	85.5
Dr Kenneth Kaunda	88.2	83.3	62	89	94.8	87.9	87.6	88.6	89.1

Source: Statistics SA, Community Survey 2016

The majority of households in the DM (87.6%) have access to piped water either inside the dwelling, inside the yard or from an access point outside the yard. About 87.9% have access to refuse removal for at least once a week, while almost 88.6% have sanitation that is connected to a formal sewage system. Almost 89.1% of the population stay in formal dwellings and about 95% have access to one or another form of access to electricity access.

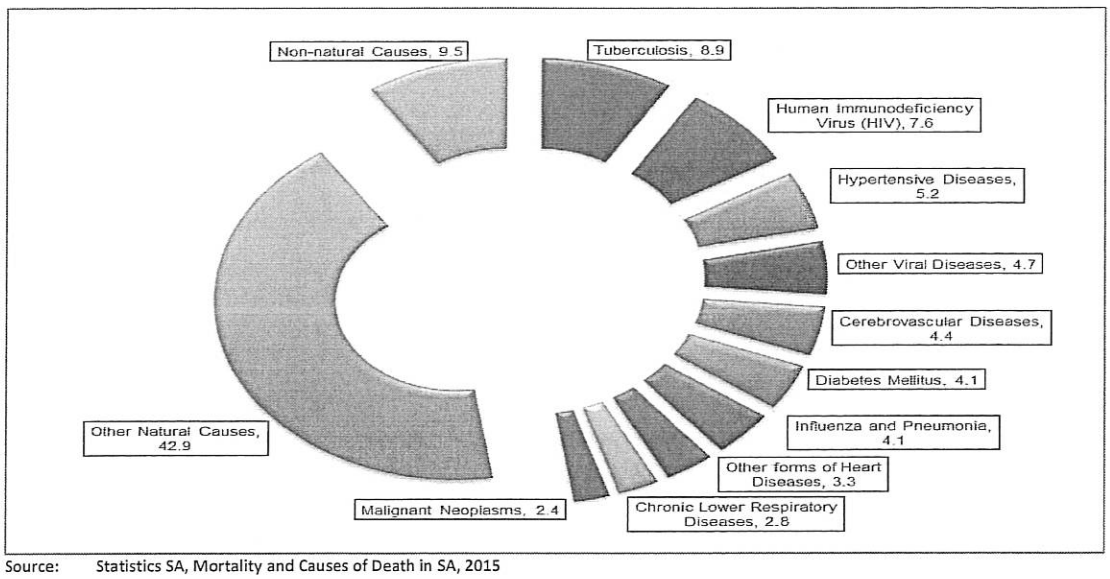
Table B.4.1 (b): Main Type of Dwelling in the DM Source: Statistics SA, Community Survey 2016

	Formal dwelling/house or brick/concrete block structure on a	dwelling/hut/structure made of traditional mater	Flat or apartment in a block of flats	Cluster house in complex	detached house in a complex)	Semi-detached house	Formal dwelling/house/flat/room in backyard	Informal dwelling/shack in backyard	Informal dwelling/shack not in backyard (e.g. in an informal	or larger dwelling/servants quart	Caravan/tent	Other	Unspecified	Total
City of Matlosana	345725	4024	8579	1483	5144	4244	11602	15220	16131	1313	-	3817	-	417282
Maquassi Hills	70783	169	199	20	54	64	239	2721	2486	94	-	5182	-	82012
Ventersdorp /Tlokwe	175410	765	8463	1984	854	2673	16603	12439	20502	1463	54	2319	0	243527
Dr Kenneth Kaunda DM	591918	4958	17241	3487	6052	6981	28444	30380	39119	2870	54	11318	0	742821

Major Causes and Number of Deaths by Age Group

According to the Mortality and Causes of Death in SA, 2015, (a publication of Statistics SA) the major causes of death in the Dr Kenneth Kaunda district measured in 2015 were led by non-natural causes at 9.5%, followed by tuberculosis at 8.9%. The HIV infection rate was measured at 7.6% in the same period and the number of AIDS related deaths, as a percentage of the DM population is standing at 7.6% (Fig 4.2 (a)).

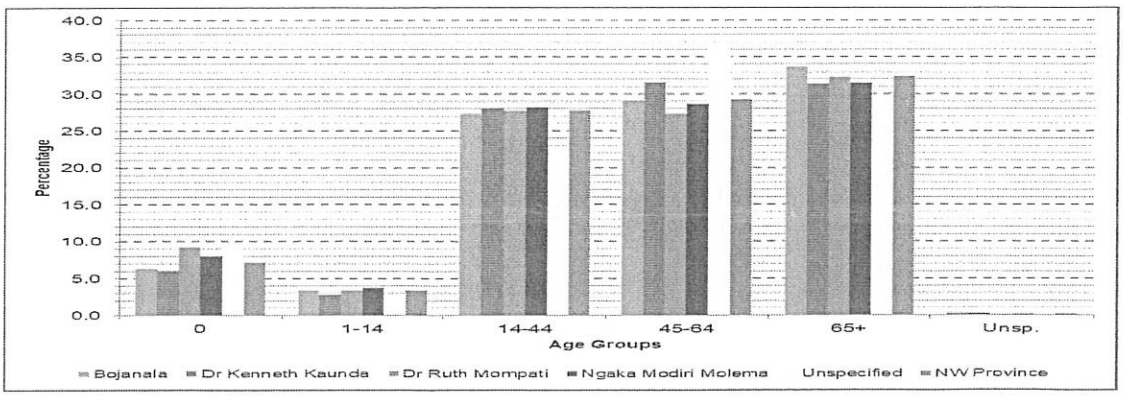
Figure B.4.2 (a): Percentage of Major Causes of Death



Source: Statistics SA, Mortality and Causes of Death in SA, 2015

In the same period, according to the same publication, the numbers of deaths per age group were almost similar across the district municipalities in the North West Province (consider Figure B.4.2 (b)). In the age group 45-64, the district municipality with more deaths as a percentage is Dr Kenneth Kaunda DM (at 30%), while Bojanala Platinum DM has the highest percentage of deaths per population in the age group above 65 years (close to 34%). Across the province, infant mortality rate is at 7%, while the lowest percentage of deaths per population in the province is in the age group of 1-14 years (about 3.3%)

Figure B.4.2 (b): Percentage of Deaths by Age Groups Source: Statistics SA, Mortality and Causes of Death in SA, 2015

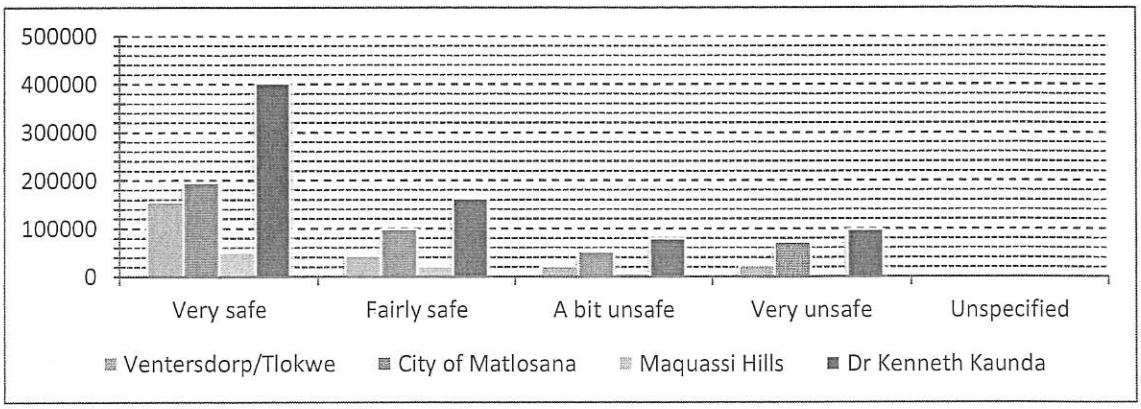


Crime and Perception of Safety

The largest number of people who feel safe during the day the district (with 54%), is highest in Ventersdorp/Tlokwe at about 64%, with less than 50% of people who feel safe are located in Matlosana (lowest at 47%). (Consider Fig B.4.3 (a)). The converse is also replicated where the highest numbers of people (17%) in Matlosana feel very unsafe during the day, followed by Ventersdorp/Tlokwe at 10% and the least at Maquassi Hills (4%).

At least 60% of people feel very unsafe in the dark, with an average of 64% across the district. Maquassi Hills and Matlosana share the highest percentage, per population number of people who feel very unsafe in the dark at 67% and Ventersdorp/Tlokwe at 60%. An average of people who feel very safe in the dark is 13% across the district, with 15% in Ventersdorp/Tlokwe and the lowest number being found in Maquassi Hills at 9% per total municipality population. (Consider Fig B.4.3 (b))

Fig B.4.3(a): Perception of Safety during the Day Source: Statistics SA, Community Survey, 2016



Economic Performance and Trends

Growth Domestic Product

Annual GDP growth in the DM broadly follows the national trend. DM GDP growth is generally lower than both the national and provincial averages. The next tables (B.4.4.1 (a)-(c)) and graphs (B.4.4.1) indicates annual GDP growth rates for the local municipalities within the DM over the period 2006-2016.

Table 3.4.1 (a): Average Growth Rate for Dr Kenneth Kaunda Municipalities, 2006-2016

Gross Domestic Product by Region (GDP-R)	Dr Kenneth Kaunda	City of Matlosana	Maquassi Hills	JB Marks
Average annual growth (Constant 2010 Prices)				
2006-2011	-0.8%	-2.5%	2.7%	2.1%
2011-2016	-1.2%	-2.4%	-0.1%	0.7%

Source: IHS Markit Regional explorer version 1181

The average growth rate of the entire DM declined by 0,8% between 2006 and 2011. The decline continued to increase to 1.2% in the following five years. The main contributor to the decline in the economic growth was City of Matlosana, going down by 2.5 and 2.4 percentage points in the respective periods. The JB Marks Municipality grew by 2.1 and 0.7 percent in the same timeframes, indicating a steady decline across the board (Table B.4.3.1 (a)). Between 1997 and 2016 (Fig B.4.3.1), the growth increased mostly in the years 1999-2001 and in 2006 at almost 6% to 8%. The DM economy declined mainly in 2009 (above 6%), followed by figures of between 2 and 3% in 2012 and 2014. The decline has been seemingly arrested because of smaller declines in 2015 and 2016, with the prospects of complete turnaround, albeit marginal, in 2017 and going forward.

Table B.3.4.1 (b): Gross Domestic Product (GDP) for Dr KK Municipalities, Share and Change, 2006-16

	2016 (Current prices)	Share of district municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
City of Matlosana	35.40	58.88%	26.15	20.40	-2.45%
Maquassi Hills	3.25	5.40%	1.78	2.02	1.29%
JB Marks	21.48	35.72%	12.08	13.84	1.37%
Dr Kenneth Kaunda	60.13		40.01	36.26	

Source: IHS Markit Regional eXplorer version 1160

The JB Marks Municipaity had the highest average annual economic growth, averaging 1.37% between 2006 and 2016, when compared to the rest of the regions within the Dr Kenneth Kaunda District Municipality. The Maquassi Hills local municipality had the second highest average annual growth rate of 1.29%. City of Matlosana local municipality had

the lowest average annual growth rate of -2.45% between 2006 and 2016.

The greatest contributor to the Dr Kenneth Kaunda District Municipality economy is the City of Matlosana local municipality with a share of 58.88% or R 35.4 billion, increasing from R 17.1 billion in 2006. The economy with the lowest contribution is the Maquassi Hills local municipality with R 3.25 billion growing from R 1.3 billion in 2006.

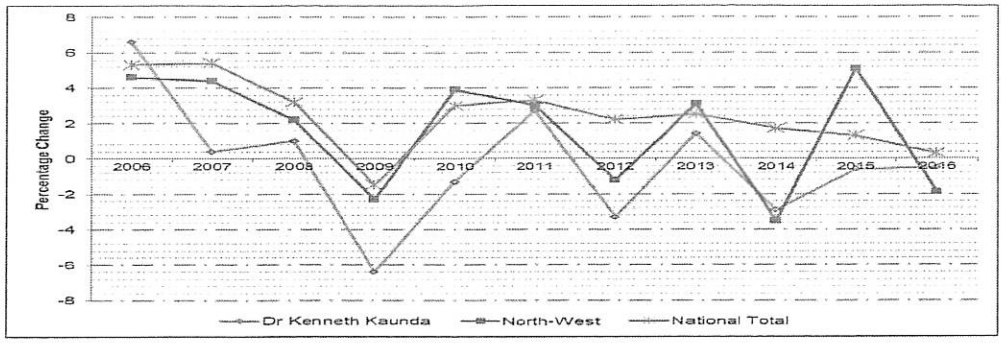
Table B.3.4.1 (c): Gross Domestic Product (GDP)-Dr KK DM, NW Province, RSA-2006-2016 (Billions)

Year	Dr Kenneth Kaunda	North-West	National Total	Dr Kenneth Kaunda as % of province	Dr Kenneth Kaunda as % of national
2006	27.1	105.0	1,839.4	25.8%	1.47%
2007	29.9	120.7	2,109.5	24.8%	1.42%
2008	33.0	138.9	2,369.1	23.8%	1.39%
2009	34.5	147.9	2,507.7	23.3%	1.38%
2010	37.5	164.5	2,748.0	22.8%	1.37%
2011	43.0	185.8	3,023.7	23.2%	1.42%
2012	45.5	191.0	3,253.9	23.8%	1.40%
2013	50.4	222.1	3,539.8	22.7%	1.42%
2014	51.3	227.2	3,807.7	22.6%	1.35%
2015	54.7	243.2	4,049.8	22.5%	1.35%
2016	60.1	263.8	4,338.9	22.8%	1.39%

Source: IHS Markit Regional eXplorer version 1160

With a GDP of R 60.1 billion in 2016 (up from R 27.1 billion in 2006), the Dr Kenneth Kaunda District Municipality contributed 22.79% to the North-West Province GDP of R 264 billion in 2016: decreasing in the share of the North-West from 25.79% in 2006. The Dr Kenneth Kaunda DM contributes 1.39% to the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2006 when it contributed 1.47% to South Africa, but it is lower than the peak of 1.47% in 2016.

Figure B.3.4.1: Percentage Change in GDP-Dr Kenneth Kaunda DM, NW Province, RSA, 2006-2016



Source: IHS Markit Regional eXplorer version 1181

Sectoral Comparative Advantage

The comparative advantage of an area indicates a relatively more competitive production function for a product or service in that specific economy, than in the aggregate economy. The economy therefore produces the product or renders the service more efficiently. The location quotient is an indication of the comparative advantage of an economy. A location quotient of larger than one (1) indicates a relative (favourable) comparative advantage in that sector.

Table B.4.4.2: Location Quotients for Dr Kenneth Kaunda Municipalities, 2016

No	Economic Sector	Dr Kenneth Kaunda	City of Matlosana	Maquassi Hills	JB Marks
1	Agriculture	1.3	0.5	5.5	2.0
2	Mining	2.6	3.4	1.5	1.2
3	Manufacturing	0.4	0.3	0.4	0.5
4	Electricity	1.0	0.8	0.5	1.3
5	Construction	0.9	0.8	1.3	0.9
6	Trade	1.0	1.0	1.0	1.0
7	Transport	0.8	0.8	0.8	0.7
8	Finance	0.8	0.8	0.7	0.8
9	Community Services	1.1	1.0	1.1	1.4

Source: IHS Markit Regional eXplorer Version 1160

Household Income

The income profiles (in Rands) of the municipalities within the district is depicted in Table B.4.5 and illustrated in the accompanying graph (Figure B.4.5), showing the distribution of annual household income among the different income groups in the Dr. Kenneth Kaunda District Municipality, as measured in the 2016 StatsSA, Community Survey.

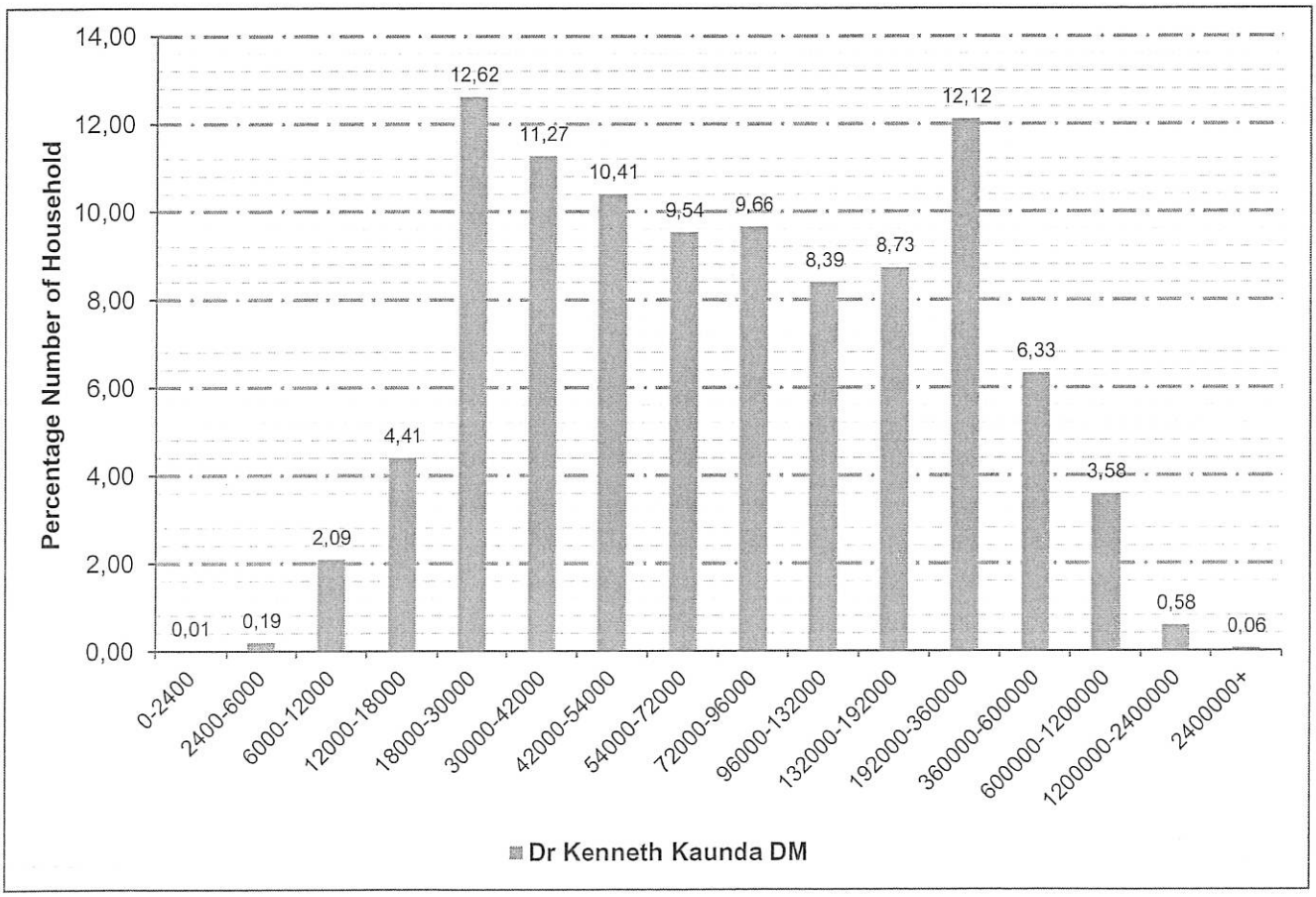
Table B.4.5: Income Profiles for Households in Dr Kenneth Kaunda Municiplities, 2016

Total	Dr Kenneth Kaunda	City of Matlosana	Maquassi Hills	JB Marks
2016				
0-2400	18	10	2	6
2400-6000	428	250	51	126
6000-12000	4627	2839	548	1240
12000-18000	9759	5920	1110	2729
18000-30000	27947	16892	3226	7828
30000-42000	24957	14160	3035	7762
42000-54000	23041	12944	2834	7263
54000-72000	21111	11246	2481	7384
72000-96000	21388	11760	2219	7409
96000-132000	18585	10149	1591	6844
132000-192000	19336	11223	1482	6631
192000-360000	26831	15682	1839	9310
360000-600000	14016	8052	851	5114
600000-1200000	7937	4157	422	3357
1200000-2400000	1293	524	52	717
2400000+	126	40	4	82
Total Households	221400	125847	21750	73802

According to the table and graph, the highest number of households in the DM (12.62%) earn between R 18 000 - R 30 000 per annum, followed by those between R 132 000 - R 360 000 at 12.12%. The data also show that above 68.59% of households earned a monthly income of between R 96 000 and R 132 000 per annum (R8 000 – R11 000 p.m) or less. Approximately 89.44% of the entire households across the district earn between R16 000 and R30 000 monthly or lower, indicating that only about 10.6% of the households earn above this income bracket.

The figures also indicate a proportionally higher income profile in JB Marks LM compared to the other two local municipalities. More than 56% of the highest income earners, above R1 200 000 per annum come from this particular municipality. The Matlosana City Council, due to its high population size, accounts for about 56.8% of the income of the households in the district.

Figure B.4.5 Percentage Annual Household Income in the Dr KKDM (as a % of the No. of Households), 2016



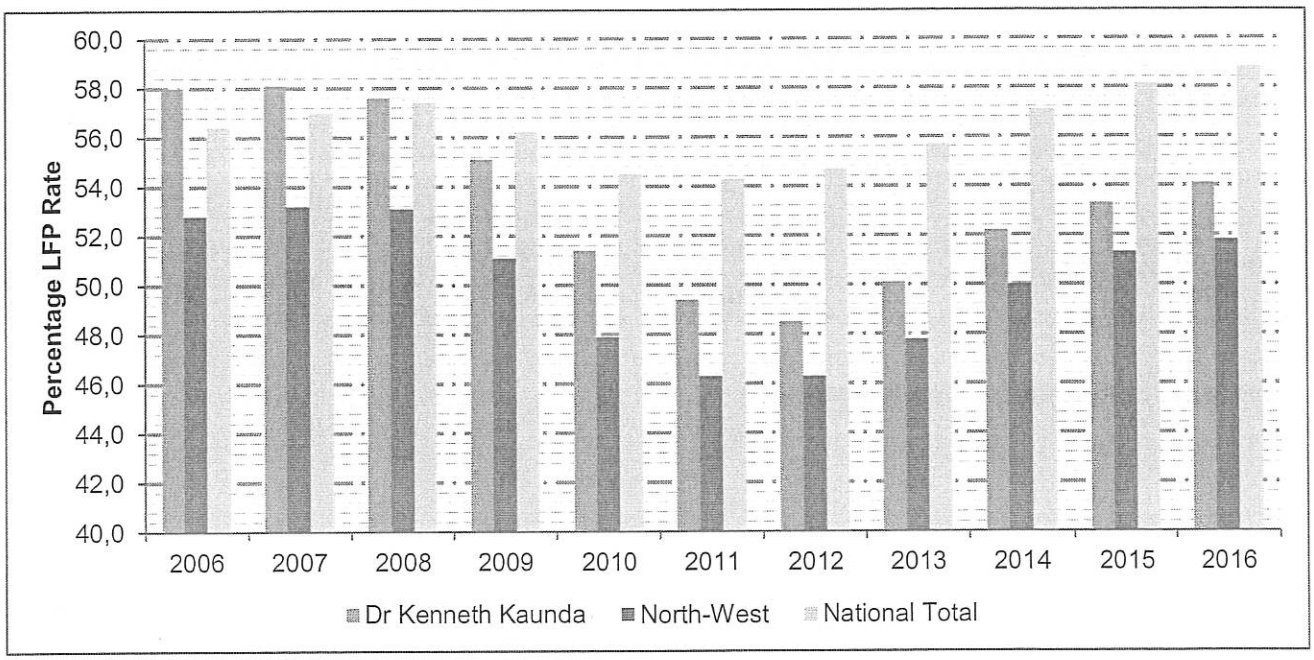
Source: IHS Markit Regional eXplorer Version 1160

Employment and Labour Profiles

Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage other total working age population. Figure B.4.6.1 depicts the labour participation rate of the Dr Kenneth Kauda DM, North West Province and the National Total as a whole. The LFPR of the Dr Kenneth Kaunda DM has declined from 58% in 2006 to 54% in 2010

Figure B.4.6.1: Percentage Labour Force participation Rate-Dr KKDM, NW Province, RSA, 2006-2016



Source: IHS Markit Regional eXplorer Version 1160

Unemployment Rate

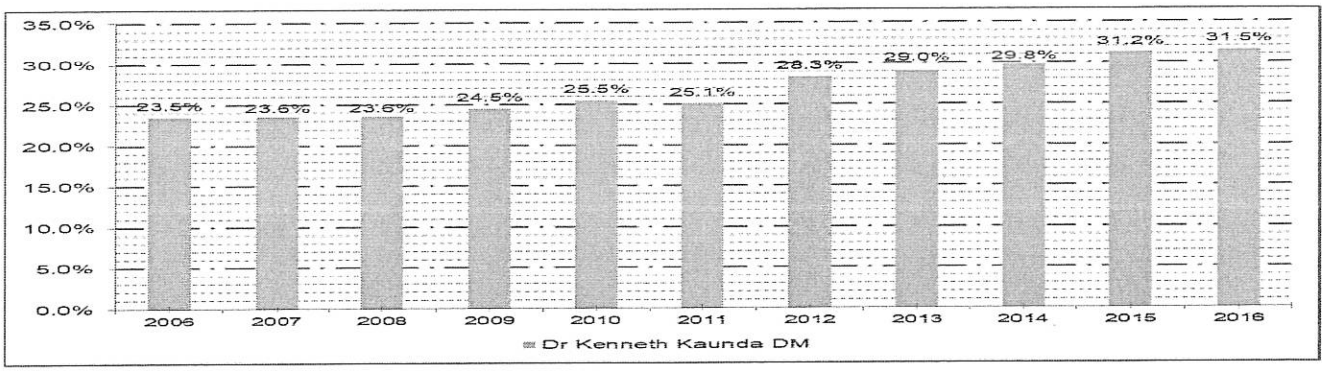
In 2016, the unemployment rate in Dr Kenneth Kaunda District Municipality (based on the official definition of unemployment) was 31.5%, which is an increase of 8.01 percentage points from 2006. The unemployment rate in Dr Kenneth Kaunda District Municipality is higher than that of North-West and the national governments. The unemployment rate for South Africa was 26.43% in 2016, which is a increase of -0.668 percentage points from 25.8% in 2006.

As outlined in Figure B.3.6.3 (a) the largest in the sectoral contribution to total employment in 2016 was in the Community Services (28.7%) and Trade (23.2%) sectors. The largest proportional gains in employment was achieved in the Community Services (5.3%),

Finance (3.1%) and Construction (2.6%), during the period 2011 to 2016 (Figure B.3.6.3 (b))

The biggest and only decline in total employment was experienced in mining between 2011 and 2016, with a decline of while the Electricity Services employee percentage stayed stagnant (and still contributing the lowest in 2016 at 0.5%). 15.9% (i.e. from 30 528 to 9174 employees),

Figure B.4.6.2 (a): Unemployment Rate for the Total Population: Kenneth Kaunda DM. Source: IHS Markit Regional eXplorer



Sectoral Contribution to Employment

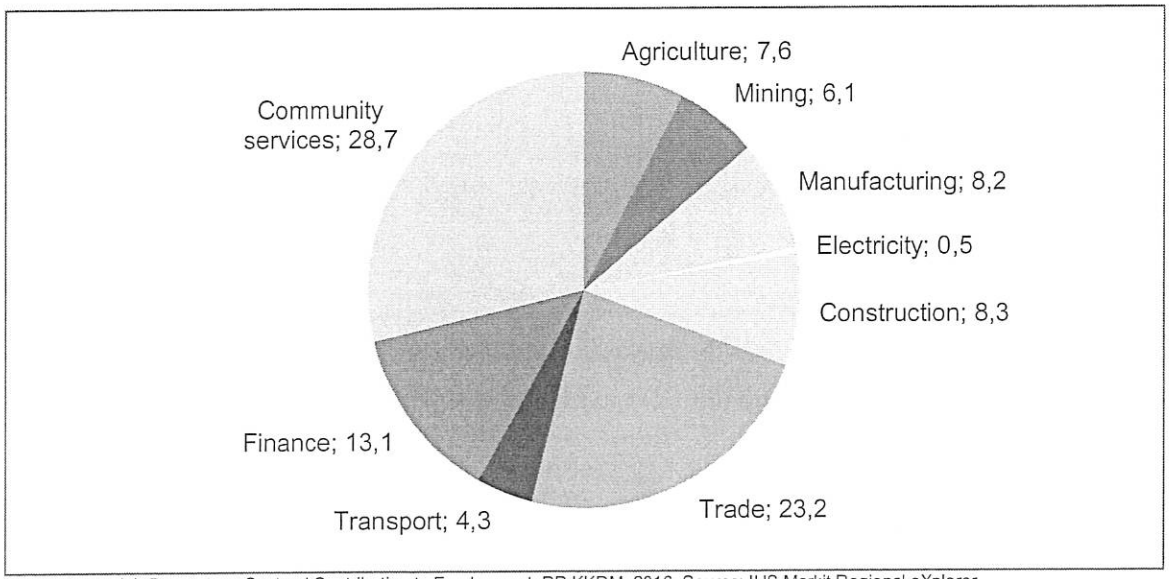
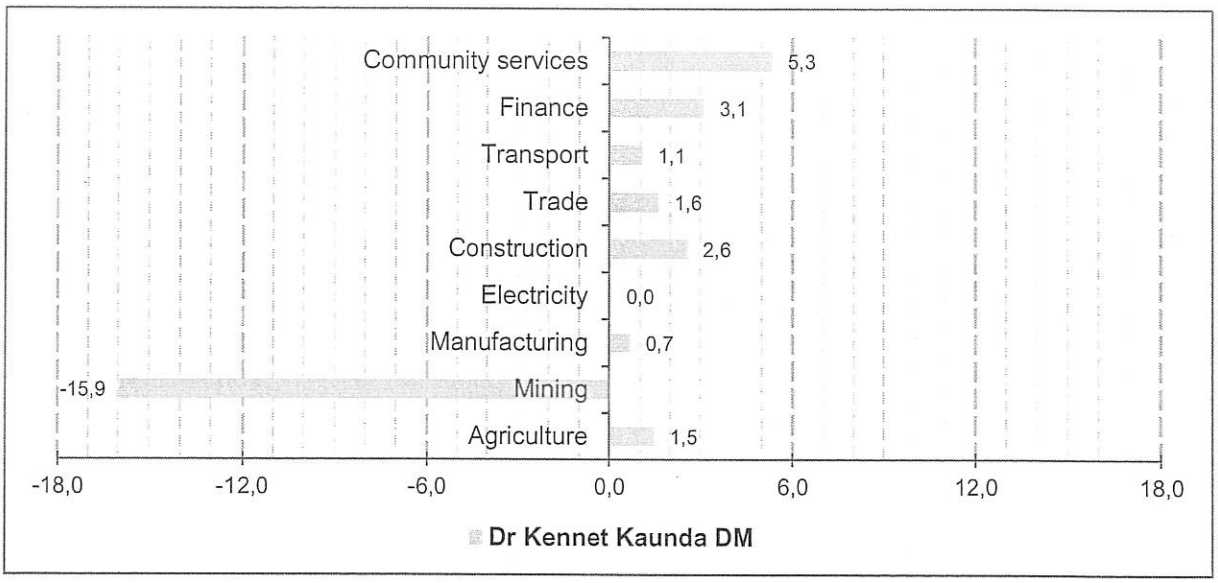


Figure B.3.6.3 (a): Percentage Sectoral Contribution to Employment, DR KKDM, 2016. Source: IHS Markit Regional eXplorer

Figure B.3.6.3 (b) : Percentage Change in Sectoral Contribution to Employment, DR KKDM: 2011 to 2016 Source: IHS Markit Regional eXplorer



SERVICE DELIVERY OVERVIEW-HIGHLIGHTS AND CHALLENGES

Dr Kenneth Kaunda District basic service delivery is primarily rendered by the local municipalities. These include water, sanitation, electricity, and road maintenance and community services

The district is responsible for Environmental Health and Disaster Risk Management function

DISASTER RISK MANAGEMENT OVERVIEW

The Dr Kenneth Kaunda District Disaster Risk Management Centre is located at 2 Chris Hani Rd Irene Park Klerksdorp. The Centre is responsible for Disaster Risk Management throughout the District and Fire Services in Maquassi Hills. The services are further subdivided into the following sub sections.

- Fire and Rescue Services
- Disaster Risk Management
- Public Information Education and Relations

Below are some of the highlights of the activities conducted throughout the year.

Fire Services

The District is responsible for the delivery of Fire Services in Maquassi Hills. The fire station operates on a four-shift system which enables the provision of services on a 24-hour basis.





The NWP Disaster Management Centre assisted the District with repairing and minor refurbishments to the existing fleet of fire vehicles. This contribution has helped the Fire Service to be available at all times to attend to fires in the Local Municipality. Furthermore, the self-sacrificing spirit of the Fire Protection Association members has lightened the load during the 2017 veldfire season.





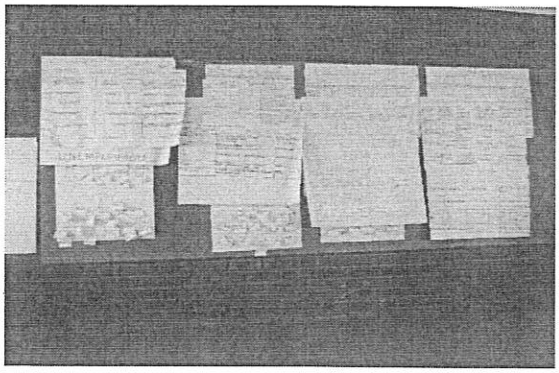
Disaster Risk Management

The JB Marks and Matlosana local municipalities are underlaid by large dolomite deposits that are affecting the planning and implementation of development. The District Municipality has embarked on a District wide Dolomite Risk Management Strategy to mitigate and address the impact that dolomite is having on the community.

The Disaster Risk Section also conducted two Community Based Disaster Risk Assessments during the year. During this process the community is actively involved in the risk assessment and are encouraged to make inputs and comment on the relevance of the assessment. The assessments were conducted in:

- Maquassi Hills - Boskuil Ward 10
- Matlosana – Oblade Farm Ward 18





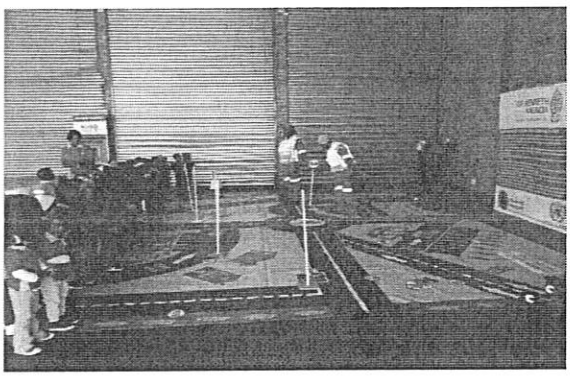
Public Information Education and Relations

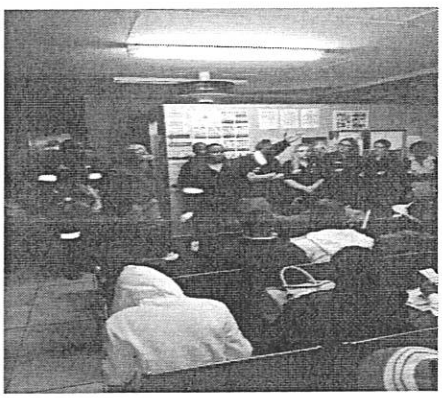
"We estimate that for each dollar spent on disaster preparedness, an average of four dollars is saved on disaster response and recovery" says Alberto Monguzzi, Disaster Management Coordinator in the IFRC Europe

As the above quote states vast amounts of resources can be saved by being prepared for disasters also the impact on human lives is incalculable as no price can be placed on a life. This is why the Centre places so much emphasis on educating the community.

These are some of the activities that were conducted:

- Maquassi Hills BESAFE Centre Activities
- Matlosana Khuma Dolomite Awareness
- District Wide Winter Awareness Campaign





IGR Structures

There are IGR Structures that involve all role players relevant to Disaster Risk Management that help to coordinate activities around Disaster Risk Management. The following meetings took place during the year:

- Advisory Forum – 15 September 2017
- IGR with Local Municipalities – 11 August 2017
- IGR with Local Municipalities – 8 September 2017

MUNICIPAL HEALTH & ENVIRONMENTAL MANAGEMENT SERVICES OVERVIEW

1. Introduction

Environmental Health comprises of those aspects of human health, including quality of life, that are determined by chemical, physical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing those factors in the environment that can potentially affect adversely the health of present and future generation's (World Health Organisation)."

2. Overview

Municipal Health & Environmental Management Services Department has for the period of review executed its Constitutional Mandate to promote a safe, clean and healthy environment through environmental awareness campaigns. As from the 1st July 2017 to 30 June 2018, good progress has been made with regard to the provision of Municipal Health Services to the residents of Dr Kenneth Kaunda District Municipality.

3. Description of the Activities

During the period of review the following activities were executed in terms of the functions of Municipal Health Services:

(a) Water Quality Monitoring

- Monitoring of water quality/safety used for domestic purposes.
- Monitoring of water quality/safety used for recreational purposes.
- Monitoring of water quality/safety used from natural sources.
- Monitoring of water quality/safety used from sewage treatment plans.
- Complaints investigations (law enforcement and issuing of compliance notices).

(b) Food Control

Includes the:

- Inspection of all food preparation premises.
- Certification of all food premises in terms of R962.
- Monitoring/control of food quality/safety.
- Condemnation of foodstuffs not fit for human consumption.
- Food safety during special events.
- Training of food handlers.
- Complaints investigation (law enforcement and issuing of compliance notices).

(c) **Waste Management**

Includes the:

- Monitoring of refuse removal, solid waste disposal and waste disposal sites.
- Monitoring of health care risk waste

(d) **Health Surveillance of Premises**

Includes the:

- Monitoring and inspection on all premises.
- Complaints investigation (law enforcement and issuing of compliance notices).

(e) **Surveillance and Prevention of Communicable Diseases**

Includes the:

- Detection of outbreaks.
- Control of outbreak of diseases.

(f) **Vector Control**

Includes the:

- Monitoring of infestation frequency.
- Pest control on Council premises.

(g) **Environmental Pollution Control**

Includes the:

- Monitoring of air/noise/water/land pollution.

(h) **Disposal of the Dead**

Includes the:

- Hygienic handling of corpses.
- Pauper/Indigent burials.
- Exhumations.

(i) **Chemical Safety**

Includes the:

- Monitoring of chemical hazards.

4. Environmental Management Functions

Environmental management functions which include Air Quality, Climate Change, Environmental Planning, Biodiversity, Conservation, Enforcement and Compliance are mandated by the following legislation.

- Constitution of the Republic of South Africa (Act 108 of 1996)
- National Environmental Management Act (NEMA) (Act 107 of 1998)
- NEMA: Biodiversity Act (Act 10 of 2004)
- NEMA: Air Quality Act (Act 39 of 2004)
- NEMA: Protected Areas Act (Act 57 of 2003
- NEMA: Waste Act (59 of 2008)
- NEMA: EIA Regulations
- Development Facilitation Act (Act 67 of 1995)
- Environmental Conservation Act – ECA (Act 73 of 1989)
- Minerals and Petroleum Resources Development Act (28 of 2002)

5. Environmental Awareness Campaigns

Awareness campaigns

These are the initiatives and campaigns which were embarked upon in order to educate and capacitate communities on Environmental Health issues. These campaigns included food safety, health and hygiene, chemical safety, air quality, noise pollution, waste management, sanitation, World Food day, World Environment day, climate change, water and Listeriosis awareness campaigns.

- Food safety awareness campaign which was conducted at pension pay point in Ventersdorp on 12 July 2017.





- Environmental education and food safety awareness campaign of caterers which were conducted on 13 July 2017, at JB Marks LM (Ventersdorp).



Caterers listening to presentations



EHP responding to questions

- Joint operation programme which was conducted at different food premises in Leeudoringstad, Maquassi Hills, on the 13 July 2017



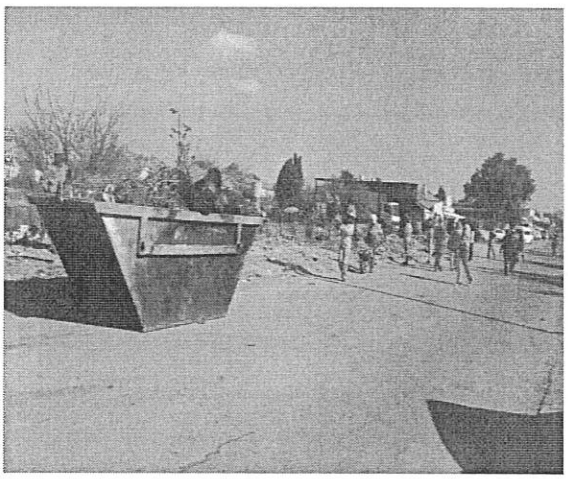


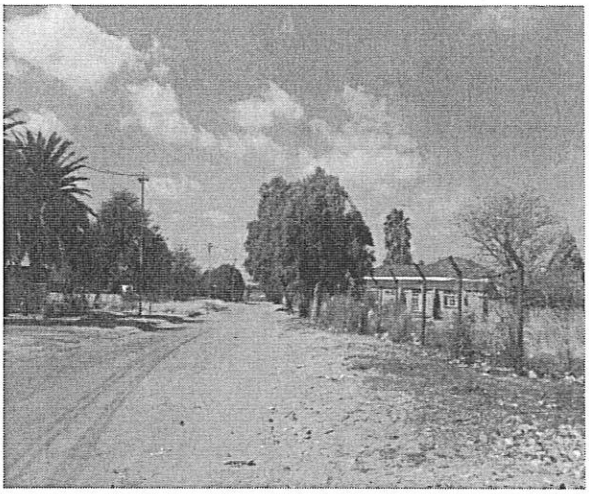
- Awareness campaign against environmental pollution conducted at Klerksdorp Taxi rank on 14 July 2017.



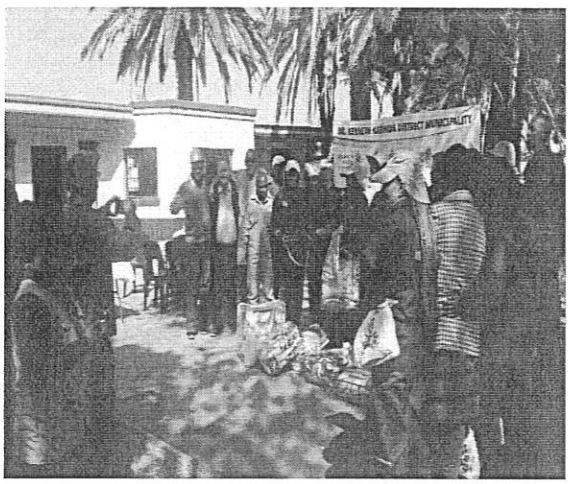


- Clean-up campaign that was held at Bornman Street, Wolmaransstad on the 18th of July 2017.





- Mandela Day commemoration event that was held at Sautul Islamic Youth Centre, on the 28th July 2018, JB Marks LM (Tlokwe).

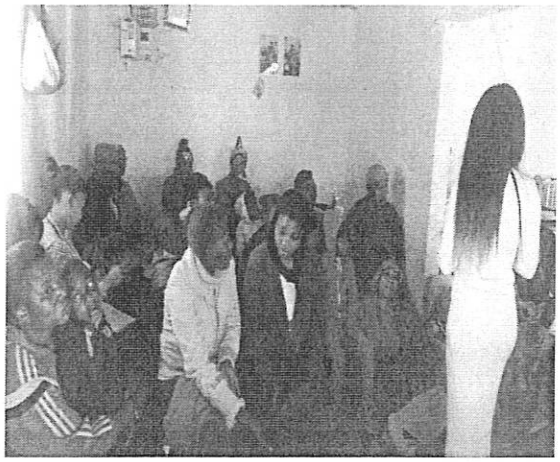




- Joint operation programme which was conducted at different food premises in Ventersdorp on the 15 August 2017, JB Marks LM (Ventersdorp).



- Environmental health impact assessment and health and hygiene awareness campaign which was conducted at Basadi Tsogang care and Disability center on 16 August 2017, JB Marks LM (Ventersdorp).





EHP educating people at the centre on health and hygiene issues

- Health and Hygiene awareness campaign was conducted on 16 August 2017 in Jouberton, Ext 3 to educate children with disabilities on health and hygiene issues. Vegetable garden was established on that day.





- Arbor week event that was conducted at Thakadu Primary school, Tiragalo Secondary school and Koketso Primary school in Kgakala, Leeudoringstad on the 13 October 2017, Maquassi Hills.



- Arbor Week Celebration was held at Western Reefs Primary on 08 September 2017 where indigenous trees were planted.

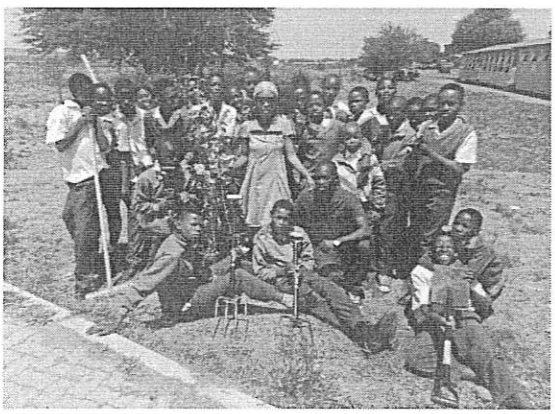


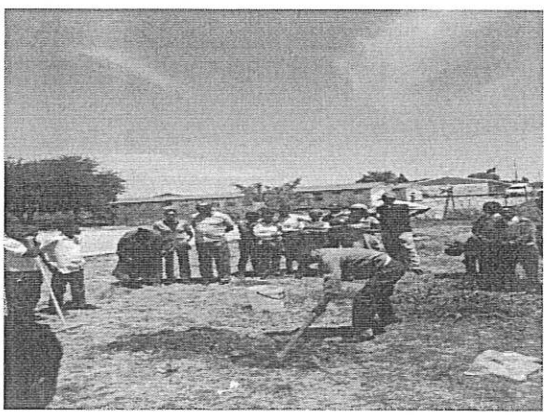
- Road-show: Environmental health awareness that was held at Tswelelang Location, Wolmaransstad on the 17th of October 2017, Maquassi Hills.





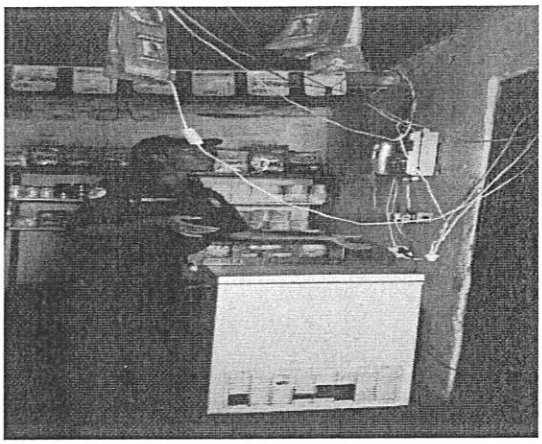
- Arbor Day celebration which was conducted on 19 October 2017 at Letshelemane Primary School, Tshing, JB Marks LM (Ventersdorp)



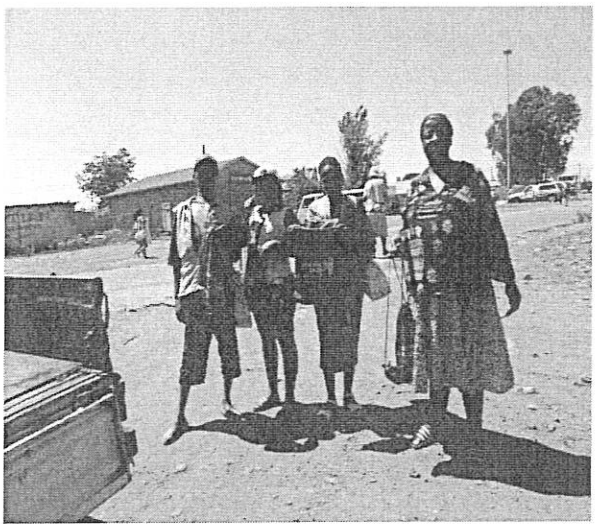


- Health surveillance of premises (joint operation programme) for food premises which was conducted at different food premises in Rulaganyang, Witpoort, Maquassi Hills, on the 20 October 2017.





- Roadshow on municipal health functions held in Khuma on 03 November 2017, Matlosana



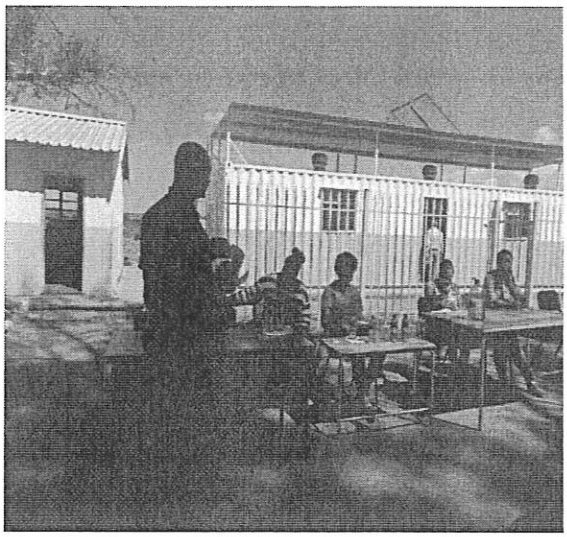


- Health surveillance (joint operation) for food premises which was conducted at different food premises in Kgakala / Leeudoringstad, Maquassi Hills, on the 16 November 2017.





- Air Quality Activity at Mmabatho Primary School on the 17 November 2017



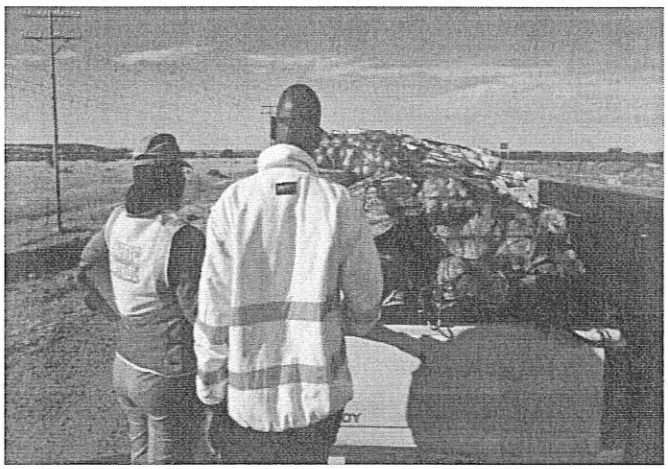


- Global Hand Wash Day awareness campaign that was conducted at 2 ECDs namely Little Angels at Goedgevonden and Kopano ELC at Tsetse village on the 23 November 2017, JB Marks (Ventersdorp).



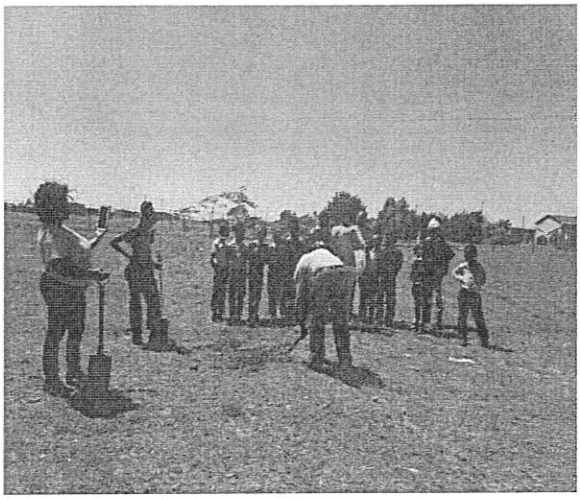


- Law enforcement operation on foodstuffs transportation (Road-block) that was held at on the N12 Wolmaransstad on the 24th of November 2017

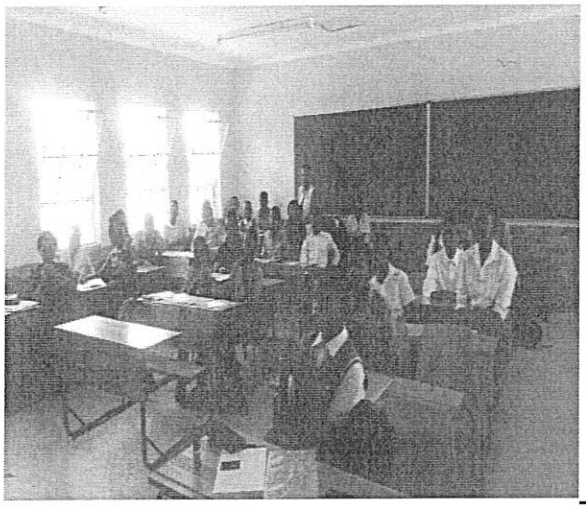


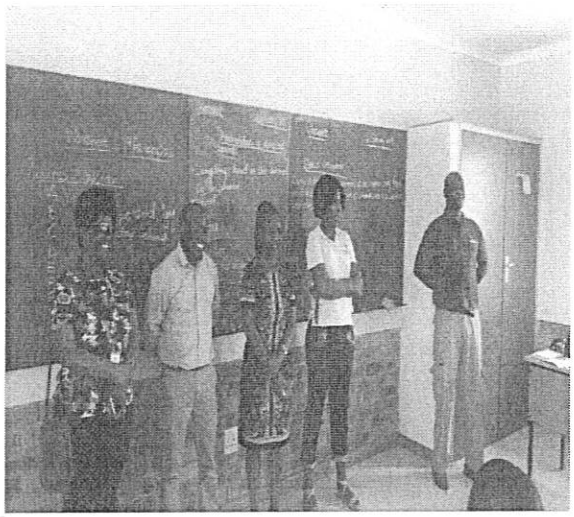
- World food day celebration which was held at Goedgevonden Primary school on 29 November 2017.



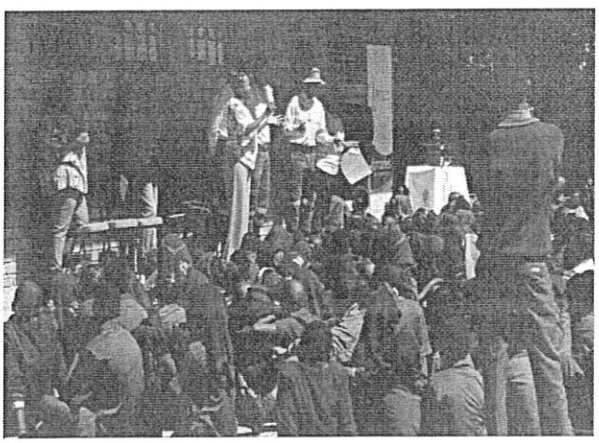


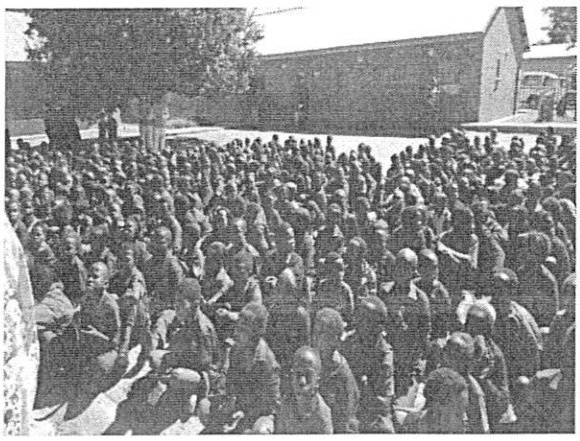
- Climate Change awareness campaign was held at BM Choabi School in Promosa on 21 February 2018 with the aim of educating and capacitating the learners on the applicable pollutants and their effect on human health.





- National Water Week celebration which was held on 26 March 2018 at Berts Bricks Primary school in Tlokwe.

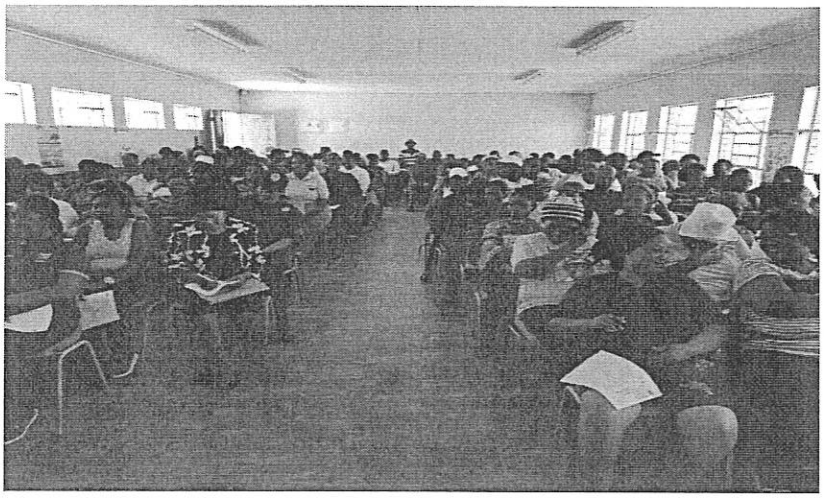




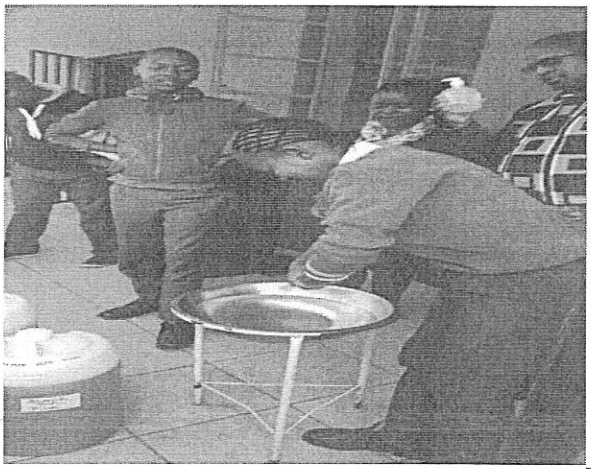
- Listeriosis awareness campaign held in Jouberton and Wilkoppies on 01 & 19 February 2018.

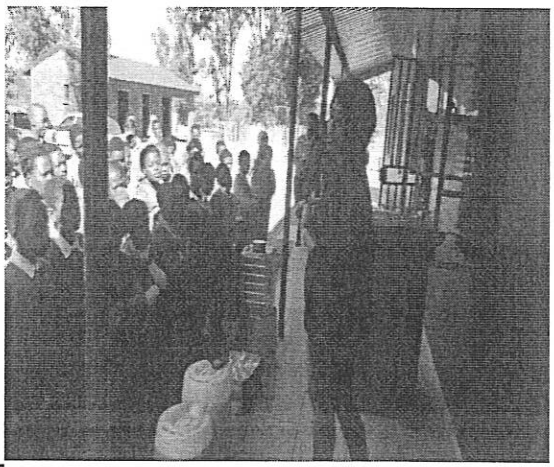


- listeriosis awareness campaign for all food handlers (WSNP) in Maquassi Hills held in Tswelelang Location, Wolmaransstad, on the 03 May 2018.

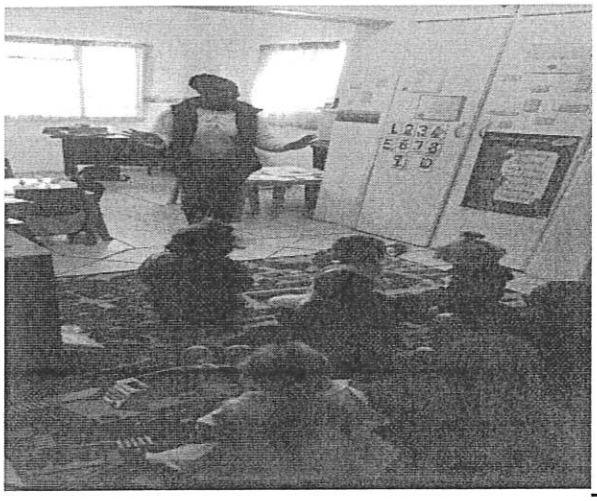


- Listeria awareness campaign that was held at Bokamoso Farm School in JB Marks Municipality on the 22nd of May 2018.



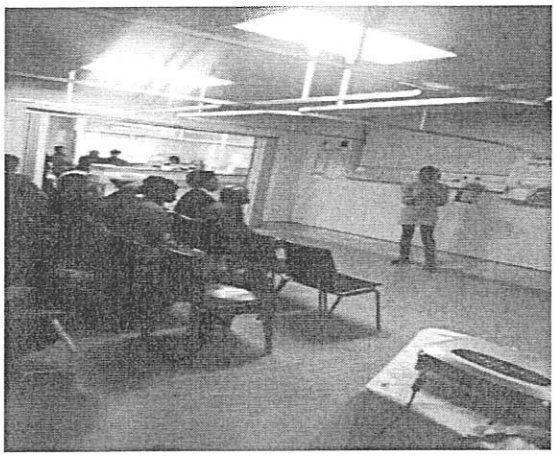


- Health and hygiene awareness campaign held at 7 crèches in JB Marks Local Municipality on the 05 and 06 June 2018.



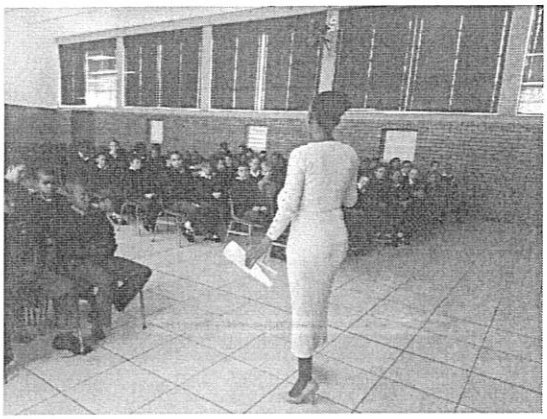


- Health Education conducted at Nic Bodenstein Hospital for Wolmaransstad Town clinic and NBH personnel in Wolmaransstad Maquassi Hills, on the 13 June 2018.



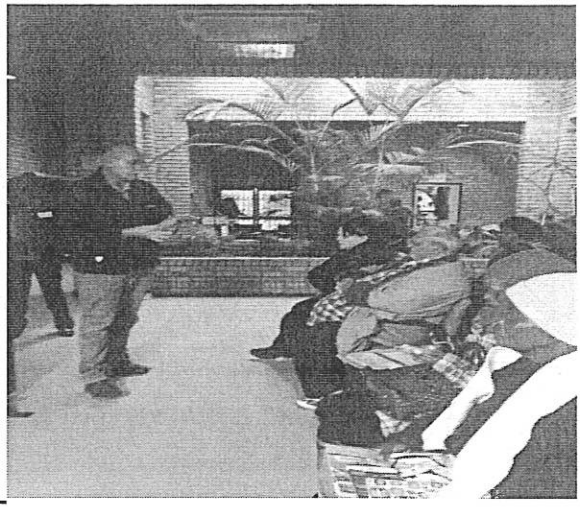


- Listeriosis awareness campaign held at Ventersdorp Laerskool on the 01 June 2018 and at 3 creches namely Happy Land, Revolution and Olerato on the 14 June 2018.



- Listeriosis awareness activities held at the in Matlosana in May & June 2018.





- Air quality activity event that was conducted at Klerksdorp taxi rank on the 19th June 2018.

OTHER CAMPAINGS

AREA	ACTIVITY	DATE
Matlosana	Law enforcement – Joint Operations Programme for food premises in Uraniaville	17 August 2017
	Inspections with Operation Siyabangena (7/6/2018) at the following facilities : (Floyd Panel beaters, Autobody Woks and Panel Beaters, Impala Panel Beaters, Metal Rec & Recycling, Al Chemy Metals (Electronic Waste), and Marean WEB Textile)	07 June 2018
Maquassi Hills	Law enforcement – Joint Operations Programme for food premises in Leeudoringstad	13 July 2017
	Law enforcement – Joint Operations Programme for food premises in Wolmaransstad	16 August 2017
	Law enforcement – Joint Operations Programme for food premises in Makwassie	22 September 2017
	Law enforcement – Joint Operations Programme for food premises in Rulaganyang	20 October 2017
	Law enforcement – Joint Operations Programme for food premises in Kgakala	16 November 2017
	License fees workshop for business owners that was conducted at Lebaleng, Makwassie	22 November 2017
	Law enforcement – Joint Operations Programme for food premises in Lebaleng / Makwassie	24 January 2018
	Law enforcement – Joint Operations Programme for	22 March 2018

AREA	ACTIVITY	DATE
	food premises in Leeudoringstad	
	Law enforcement – Joint Operations Programme for food premises in Lebaleng	18 April 2018
	Law enforcement – Joint Operations Programme for food premises in Leeudoringstad	30 May 2018
	Law enforcement – Joint Operations Programme for food premises in Wolmaransstad	21 June 2018
Ventersdorp	Law enforcement – Joint Operations Programme for food premises in Ventersdorp.	15 August 2017
	Law enforcement – Joint Operations Programme for food premises in Ventersdorp	07 December 2017
	Law enforcement – Joint Operations Programme for food premises in Ventersdorp CBD	21 September 2016
	Listeriosis Awareness Campaign at Mogopa clinic, JB Marks clinic and Alecs Taxi rank	14-16 February 2018
	Listeriosis Awareness Campaign at Toevlug Primary school	09 March 2018
	Listeriosis Awareness Campaign at SAVF old age home	03 May 2018
	Law enforcement – Joint Operations Programme for food premises in Ventersdorp	04 May 2018
	LIsteriosis Awareness Campaign at Bokamoso Farm School, Tlokwe	22 May 2018
	Listeriosis Awareness Campaign at Laerskool Ventersdorp	01 June 2018
	Listeriosis Awareness Campaign at 3 creches namely Happy land, Revolution and Olerato	14 June 2018

CLEAN-UP CAMPAIGNS

AREA	DATE
Maquassi Hills	18 January 2018 in Lebaleng

PROJECTS

EPWP – ALL WARDS CLEANING

MATLOSANA

July 2017 – January 2018

Sixty five (65) EPWP beneficiaries were appointed for a period of nine months (9) months to assist with environmental awareness coupled with cleaning of illegal dumping and ensuring job creation. This project was a continuation from 2016/17 financial year.

MAQUASSI HILLS

April 2017 – September 2018

Twenty six (26) EPWP beneficiaries were appointed for a period of six (06) months to assist with cleaning of illegal dumping and ensuring job creation. This project was a continuation from 2016/17 financial year.

October – November 2017

An extension of two months was given to twenty five (25) EPWP beneficiaries to continue with cleaning of illegal dumping spots and door to door environmental education.

December 2017-January 2018

Another extension of two months was given to twenty four (24) EPWP beneficiaries to continue with cleaning of illegal dumping spots and door to door environmental education. The project ended 31 January 2018.

VENTERSDORP

April – September 2017

Seventeen (17) EPWP beneficiaries were appointed for a period of six (06) months to assist with cleaning of illegal dumping and ensuring job creation. .

October – November 2017

An extension of two months was given to seventeen (17) EPWP beneficiaries to continue with cleaning of illegal dumping spots and door to door environmental education.

December 2017-January 2018

Another extension of two months was given to seventeen (17) EPWP beneficiaries to continue with cleaning of illegal dumping spots and door to door environmental education. The project ended 31 January 2018.

TLOKWE

April – September 2017

Thirty six (36) EPWP beneficiaries were appointed for a period of six (06) months to assist with cleaning of illegal dumping and ensuring job creation.

October – November 2017

An extension of two months was given to thirty six (36) EPWP beneficiaries to continue with cleaning of illegal dumping spots and door to door environmental education.

December 2017-January 2018

Another extension of two months was given to thirty six (36) EPWP beneficiaries to continue with cleaning of illegal dumping spots and door to door environmental education. The project ended 31 January 2018.

CHALLENGES

During the period July 2017– June 2018, the following challenges were experienced:

CHALLENGE	RECOMMENDATION
Office space There is insufficient office space for MHS Matlosana office.	Construction of more offices at Disaster Centre as an option. Or purchase of office building that will accommodate all staff members of the district.
Office space Mobile Office offices at Ventersdorp Office with short lifespan	Request to be send to JB Marks Municipality for office space for MH personnel in Ventersdorp

CHALLENGE	RECOMMENDATION
Staff shortage Shortage of staff caused by vacant positions that are not filled is affecting rendering of services.	Filling of vacant funded positions must be prioritized in the 2016/17 financial year to meet the WHO standards.
Lack of service level agreement with locals Inadequate local municipal financial resources which hampers service delivery	Service level agreement with the local municipality must be signed to ensure that the district performs functions that impact health of the community.
Lack of animal pounds Unavailability of an animal pound affect the control of animals	Local Municipalities must be encouraged to budget for and have animal pounds to control stray animals.
Lack of permanent MHS offices There are no permanent EHS offices to accommodate the whole staff, only mobile offices and the lifespan of the mobile is about seven years.	MH&EMS to buy the house that will be used as offices or alternatively a request be made to the MM of Maquassi Hills requesting a piece of land so that permanent offices can be built to accommodate the whole EHS staff

CHALLENGE AS PER KEY PERFORMANCE AREA

KPA	CHALLENGES	RECOMMENDATIONS
Food Control	Absence of License officer at the JB Marks (Ventersdorp) municipality which results in EHP`s inspecting illegal food premises	Acting MM of JB Marks (Ventersdorp) to commit with the exact date to allocate the officer to perform licensing function.
	Disposal of condemned foodstuffs at landfill site of JB Marks (Ventersdorp) where there are no trenches which end up at the scavengers using those foodstuffs.	Purchase of a compactor truck for JB Marks (Ventersdorp) to be utilized for food condemnations

KPA	CHALLENGES	RECOMMENDATIONS
Waste management	Increasing illegal dumping spots due to insufficient resources at Maquassi Hills and JB Marks (Ventersdorp) local municipalities.	The local municipalities must be encouraged to budget for resources and implementation of Integrated Waste Management Plan (IWMP).
	Irregular collection of refuse is seriously contributing to the challenge of illegal dumping.	Local municipalities to be engaged to ensure regular refuse removal
Environmental Pollution Control	Sewage overflow complaints are not attended timeously causing serious pollution in the locals.	Political intervention is required to ensure that Local Municipalities complies with environmental legislation.
	Inadequate sewage treatment at Waste Water Treatment Plants.	Political intervention is required to ensure that Local Municipalities complies with environmental legislation

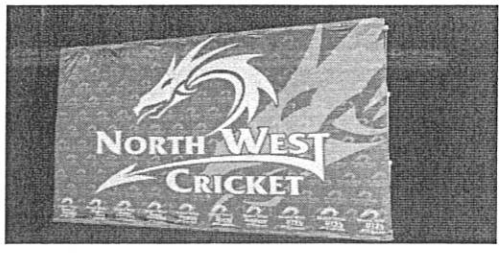
A clean and healthy environment is the responsibility of all South Africans. It is our responsibility as Municipal Health and Environmental Management Services Department to uphold and monitor principles as enshrined in the South African Constitution.

DISTRICT ECONOMIC DEVELOPMENT OVERVIEW

VISION

To be a catalyst for sustainable economic growth, diversification, job creation and quality of life for all citizens through the responsible utilisation of resources and the creation of a conducive environment for investment.

To position the DED&T as driver for the attraction of investment, economic development and integration of sector economies, through support services, partnerships and empowerment initiatives, resulting in sustainable jobs, skilled communities and economic benefits for the District.

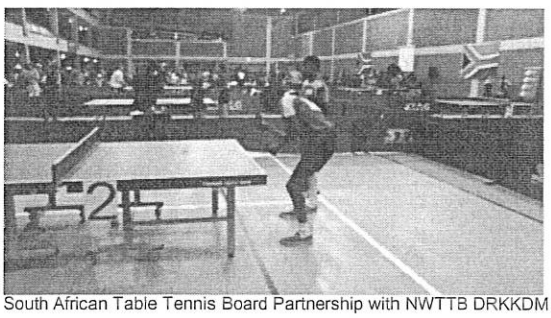


Supported the Launch the New Logo of North West Cricket Board

STRATEGIC GOALS

In line with this mission, the DED&T will seek to accomplish the following **strategic goals**:

- Growth of the District economy and the attainment of economic growth rates in line with the National Growth Path;
- Reduction of unemployment, creation of quality sustainable jobs and improvement of labour force skills levels in those scarce skills that are in demand;
- Diversification of the economic base to reduce dependence on vulnerable sectors;
- Alleviation of poverty and the reduction of inequality through comprehensive rural development programmes;
- Improved competitiveness of the District's local economy and business environment by creating an investment friendly atmosphere;
- Improved trade links with neighbouring and international economies;
- Improvement of the manufacturing sector through industrialisation programmes; and
- Recognition of the District as a preferred tourism destination.



South African Table Tennis Board Partnership with NWTTB DRKKDM Championship at Ballroom Hall Klerksdorp

ECONOMIC DEVELOPMENT HIGHLIGHTS:

Sports and Recreation unit launched a Logo for North West Cricket Board, the event took place at Potchefstroom, JB Marks Municipality, and the nominations of the best cricket player/teams in NW Province. During the July month there was a South African Table Tennis Tournament at Matlosana Banquet Hall hosted by Dr Kenneth Kaunda District Municipality and North West Table Tennis Board, it was an International event. National SAMSRA Wellness Employee Games took place at the Royal Bafokeng Authority (Rustenburg) where 16 Municipalities participated; Dr Kenneth Kaunda won the long tennis men's singles gold medal. Provincial SAMSRA Wellness Employee Games took place at JB Marks Municipality in Potchefstroom, 13 North West Municipalities participated, and these games took place on the April month. The Unit supported the Lebaleng Fun walk the aim of this initiative was to raise funds for Lebaleng Bursary Funds, which assist disadvantaged students of Lebaleng Township with registrations at any higher learning institutions. The walk started from Calertonville to Wolmaransstad.

The Arts and Culture unit assisted 1.Matlosana Arts, Cultural Festival (MACEF) with their annual festival that was turning three (3) years, they held successful event with fashion show where we saw good parading of different and beautiful designed clothes by Dr Kenneth Kaunda upcoming fashion designers it was through this event we identified unstoppable talent if given necessary support by both Government and business. Secondly had battle of DJ's where we saw young women been acknowledged in the industry that was previously dominated by males, they were blessed to be led by national award winning duo namely "Black Motion" the City was indeed in standstill as the community enjoyed good South African Music. Lastly the festival concluded its business with Jazz Festival were elders enjoyed the festival.

Dinonyane Cultural Group is a group from Jouberton Location consisting of children all below 16years of age the total number of 40. This talented group during the 2016/17 financial year they were nominated for the best Tswana awards in the South African Traditional Music Awards (SATMA) and one can indeed confirm they brought the award home as they were victorious, as if that was enough they were then in the following year 2017/18 financial year nominated yet again for South African Music Awards to compete with the countries giant the department assisted them to travel to Rustenburg.

Barorisi Ba Morena is a klap and tap DVD choir from Kanana location, the department assisted this choir to record their very first album and shot a through our assistance. Borehole was drilled for the rural community of Boskop in JB Marks Local Municipality to provide them with clean drinking water.

CONDITIONALGRANTS

Dr Kenneth Kaunda District Municipality associates itself with the growing SMME and Cooperatives development awareness. The DED&T Departments was also aware of the fact that it needs to invest in sustainable social and economic development. The aim was to create wealth, generate employment, develop entrepreneurship, promote empowerment, utilize local raw materials, ensure sustainability of projects receiving incentives in the long run, encourage greater investment in training, create opportunities for introduction of new and advanced skills in the region and promote national and foreign investment through small scales farmers, manufacturing, creative arts as well as tourism sectors. Through DED&T Department the Kenneth Kaunda District Municipality managed to assist Enterprises.



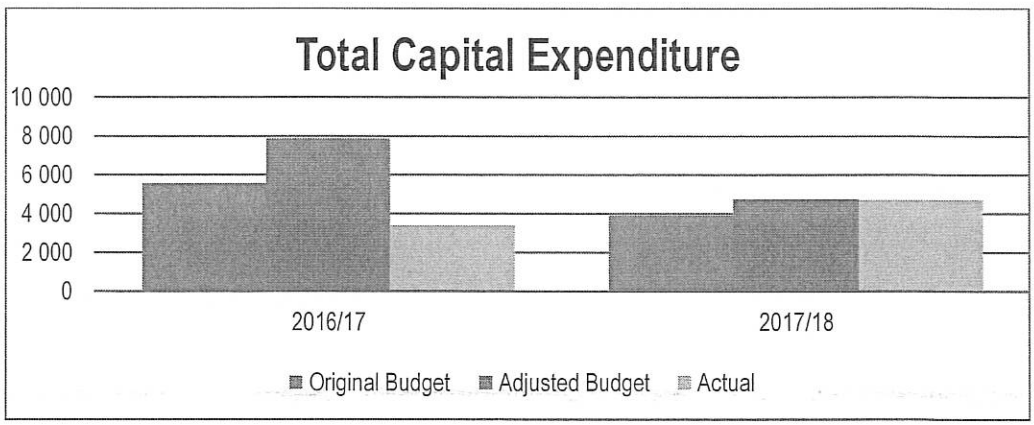
Lebaleng Bursary Fund. Fundraising Walk from JHB To Wolmarranstad

FINANCIAL HEALTH OVERVIEW FINANCIAL OVERVIEW

Financial Overview: 2017/18			R'
Details	Original budget	Adjusted Budget	Actual
Income:			
Grants	178 673,00	178 673,00	180 346,00
Taxes, Levies and tariffs			
Other	2 170,00	2 170,00	2 814,00
Sub Total	180 843,00	180 843,00	183 160,00
Less: Expenditure	175 585,00	177 833,00	174 737,00
Net Total*	**5 258,00**	**3 010,00**	**8 423,00**
* *Note: surplus/(deficit)*			

Operating Ratios: 2017/18		
Detail	Actuals	%
Employee Cost	81 802 855,00	47%
Repairs & Maintenance	751 367,00	0%
Finance Charges & Impairment	732 286,00	0%
TOTAL EXPENDITURE		**174 467 709,00**

Total Capital Expenditure: 2015/16 to 2017/18			R'000
Detail	2015/16	2016/17	2017/18
Original Budget	5 572	3 925	9 905
Adjusted Budget	7 861	4 755	7 705
Actual	3 390	4 717	6 436



COMMENT ON CAPITAL EXPENDITURE

The district capital expenditure is only linked to assets used for operations such as laptops, printers, municipal vehicles and excludes infrastructural assets. All the infrastructural assets through capital projects implementation, is capitalised by the local municipality after hand-over by the district.

All the capital projects implemented are done through the district own revenue, the district does not receive grants such as Municipal Infrastructure Grant (MIG).

TENDERS AWARDED DURING 2017/18 FINANCIAL YEAR

The following is a breakdown of all awards evaluated on the PPPFA as amended (R30000.00 and above) for the financial year under review.

80/20 QUOTES AND TENDERS

No.	Description	Company	Local %	BBBE level status contributor	Women Equity %	Amount	Any Deviation		If Deviation- Reason Provide
							Y	N	
1	KKDM: 04/16 Water Supply at BOSKOP FARM (June 2017)	Kethuthula JV Matriz TRD Enterprise	100	(1) 20	50%	482 169.27		N	N
2	KKDM:05/16 Construction of Storm Water @ Disaster Centre (June 2017)	Kethuthula JV Matriz TRD Enterprise	100	(1) 20	50%	477 673.68		N	N
3	KKDM 03/17 – Development of a Dolomite Risk Management Strategy Framework for Dr KKDM for a period of (3 Year Contract)	Kgomo Africa Investment Holdings (Pty) Ltd	100	(1) 20	-	R6 994 128.00 Yr1 – R3 902 448 Yr2 – R1 140 000 Yr – 3 R1 951 680		N	N
TOTAL						**R7 953 970.95**			

REGULATION SECTION 32 AWARDS

No.	Description 01/07/2017 – 30/09/2017	Company	Local %	BBBE level status contributor	Women Equity %	Amount	Any Deviation		If Deviation- Reason Provide
							Y	N	
1	Provision of security services at various points in Dr. Kenneth Kaunda District Municipality 28/07/2017	Diphetogo Trading	100	-	-	R3 421 130.40			
2	Contract 15/16/061IDM: Consulting Services: Development of DR KKDM Rural Asset Management System (RRAMS) and Professional Support for the period of Three (3) years	Aganang Consulting	100	-	-	Contract amount based on R4630.00 p/h including disbursement, minus 5 % of the total grant allocation			
TOTAL						**R3 421 130.40**			

AUDITOR GENERAL'S REPORT SUMMARY

The Dr Kenneth Kaunda District Municipality has received a **Qualified Audit Opinion** on the consolidated and separate Annual Financial Statements for the 2017/178 financial year.

ANNUAL REPORT PROCESSES

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July 2018
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for 2017/18 (previous financial year)	
4	Submit draft 2017/18 Annual Report to Internal Audit	
5	Municipal entities submit draft Annual Reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2018
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including Annual Financial Statements and Annual Performance Report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October 2018
12	Municipalities receive and start to address the Auditor General's comments	January – March 2019
13	Mayor tables Annual Report and audited Annual Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight Report	
17	Oversight Report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	March 2019

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

POLITICAL GOVERNANCE

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

Political Leadership

The following is the political leadership of the Dr Kenneth Kaunda DM:

PORTFOLIO	NAME
Executive Mayor	Cllr. Alderman BE Mosiane-Segotso
Speaker	Cllr. DP Masiu
Single Whip	Cllr. NM Koloti
MMC Corporate Services	Cllr. MM Mojahi
MMC Community Services	Cllr. Alderman R Martins
MMC District Economic Development and Tourism	Cllr. HH Mbele
MMC Financial Services	Cllr. M Zephe
MMC Infrastructure & Development	Cllr. SP Valipathwa
MMC Sports, Arts and Culture	Cllr. ZE Mphafudi

ADMINISTRATIVE GOVERNANCE

Introduction to Administrative Governance

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

Administrative Leadership

The following senior management positions are on the basis of fixed-term performance based contracts and presently the status is as indicated:

POSITION	NAME
Municipal Manager	SM. Lesupi
Director: Corporate Services Acting	S. Abrams
Chief Financial Officer Acting	Mr M Daffue and Ms J Brown (Alternated)
Director: Infrastructure Acting	T. Tshukudu
Director: District Economic Development Acting	M. Rampedi
Acting Director: Disaster and Risk Management Acting	R. Lesar
Acting Director Municipal Health and Environmental Services Acting	F. Matlhakola

The municipality has a strategic unit, with the four managers reporting directly to the municipal manager, and the positions of which are as follows;

POSITION	NAME
Manager: Planning	T. Mokatsane
Manager: Performance Management Systems	KL. Mokgoje
Manager: Internal Audit	R. Seremo
Manager: Minimum Information Security Systems	L. Kalolo
Manager: Communications Acting	P. Mohalalelwa
Acting Manager: Office of the Executive Mayor Acting	D. Mosiane
Manager: Office of the Speaker	F. Canga
Manager: Single Whip	G. Qele
Manager: Municipal Public Accounts Committee	BJ. Roberts-Tebejane

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41. The District participates in Provincial pGITO Council as full members every month. The Office of the Premier and the Department of Local Government and Human Settlement also participates in the Dr Kenneth Kaunda District ICT Forum as members.

The role of the Department for Local Government is to coordinate the implementation of Corporative Governance of ICT Policy Framework.

The role of the OTP is to provide guidance, support and strategic inputs into the ICT Plans of the District and that of Local Municipalities.

On the other hand the District Forum provides a feedback loop into the NW Provincial Government Programmes such as the Transformation of ICT Strategy in the Province of Bokone Bophirima

INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District Municipality participates in the Consultative National Forums that are initiated by the following Department and Associations: Department of Telecommunications and Postal Forum, Department of Communications, SALGA and SITA GovTech

The benefit is to make inputs into National Policies and Frameworks.
Assist in the implementation of the National Programmes at the District level using vehicles such as the District Steering Committee for Broadband and Digital Migration.

The benefit is to ensure the implementation of local economic development projects that benefits local SMMEs.

However, there are still many challenges regarding the proper execution of National Policies at the District and Local levels by the National Entities because of their lack of understanding of how the third sphere of government functions. This problem undermines service delivery but also creates tension between citizens and the District in terms of its social compact.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The District represents the three (3) Local Municipalities on the following committees:
NW Provincial PGITO Council
The NW Broadband Steering Committee
The NW Security Sub Committee
The NW System and Development Sub Committee

The Value of the Provincial Intergovernmental Structures assists in resolutions of potential areas of strategic interest between the Province and the District.

The structure identifies potential operational risks and mitigates these on time. The Province has been able to develop a Broadband Strategy that is now been implemented with the participation of the District Municipality. The District has rolled out Free Wi-Fi Programme and a District Integrated Community Call Centre that the Province is using as part of its service delivery infrastructure to avoid duplications of scarce resources.
The Province has also made some Policy interventions relating to SA Connect Implementation issues

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The Dr Kenneth Kaunda District Municipality often collaborates with the following District within the Province Dr Ruth Segomotse Mompati, Ngaka Modiri Molema and Bojanala Platinum District

Other District that the Dr Kenneth Kaunda has collaborated with is the Vhembe District in Limpopo.
The Emakhazeni Local Municipality, City of Johannesburg and City of Tshwane

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District has established an ICT Forum. The Forum is constituted by the following Local Municipalities: JB Marks, City of Matlosana and Maquassi-Hills

The Forum meets quarterly. The purpose of the Forum is to:
Coordinate transversal information technology related issues.
Define shared services programmes
Issues such as sharing of IT Infrastructure,
Transversal applications and
IT resources.

There are IGR Structures that involve all role players relevant to Disaster Risk Management that help to coordinate activities around Disaster Risk Management. The following meetings took place during the year:

Advisory Forum – 15 September 2017
IGR with Local Municipalities – 11 August 2017
IGR with Local Municipalities – 8 September 2017

The following IGR for IDP are held within the district:
IDP Coordinating Committee Meeting: 11 August 2017, 02 November 2017 and 08 February 2018
IDP Steering Committee Meeting: 24 November 201 and 19 March 2018
Technical IGR Meeting: 08 December 2017 and 15 February 2018
IDP Representative Forum Meeting : 22 May 2018

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

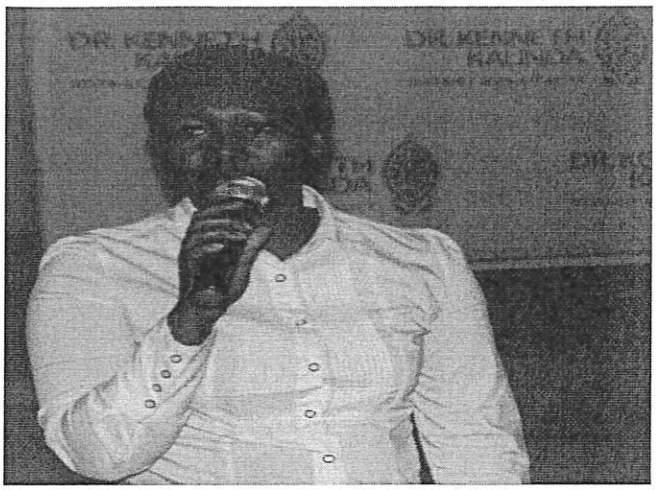
MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

COMMUNICATION, PARTICIPATION AND FORUMS

OFFICE OF THE SPEAKER

The Local Government Municipal Systems Act, 2000 has participation as a central concept of Integrated Development Planning. Chapter 4 of the MSA outlines processes, mechanisms and procedures for community participation. For example, section 16(1) states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance' including report-back to the local community. Therefore the District Municipality introduced the Community Based Planning System since 2007 to create a culture of participatory democracy. Community Based Planners were recruited in Local Municipalities within the District

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)



Municipal Public Account Committee Chairperson (MPAC) - Cllr. NG. Adoons

Background

In terms of Municipal Finance Management Act of No.56 of 2003, 127(5) (a) (ii), the local community must be invited to submit representation in connection with the annual report. The Municipal Accounts Committee of DR. Kenneth Kaunda District Municipality submitted the Programme to the Office of the Speaker for the Public hearings in order that local Communities can be invited for their submissions on Annual Report.

The report intends to make submission on public participation programme done on public hearings of Municipal Public Accounts Committee. Municipality and Dr Kenneth Kaunda District Economic Agency. The MPAC also conducted project visits.

MPAC PREPARATION PROCESS FOLLOWED ON 2016/17 OVERSIGHT REPORT

PURPOSE	DATE
finalization of the Oversight Process Plan	25 January 2018
Briefing with the AG	08 February 2018
Checking the contents of the annual report	09 February 2018
Perusal of the legislative Compliance: AFS	13 February 2018
Perusal of the legislative Compliance: SDBIP, performance agreement and Budget	15 February 2018
Perusal of the legislative compliance: SDBIP, performance agreement and Budget	20 February 2018
Perusal of the legislative compliance: Action Plan	22 February 2018
Formulation of questions for the District Municipality and the Agency	06 March 2018
Formulation of the questions for the District Municipality and the Agency	08 March 2018
Site inspection of projects in Ventersdorp and JB Marks	13 March 2018
Site Inspection of projects in Maquassi Hills and Matlosana	14 March 2018
Municipal Manager Interviews	15 March 2018
Municipal Manager Interviews	20 March 2018
Committee meeting to finalize the Oversight Report	22 March 2018
Public Participation	23 March 2018
Council Adoption of the 2016/17 Oversight Report	29 march 2018

PUBLIC MEETINGS

Public Meetings		
Nature and Purpose of Meeting	Date of Events	Location
Public Participation for both Dr Kenneth Kaunda District Municipality & Dr Kenneth Kaunda District Economic Development Agency on 2016/17 Financial year	23 March 2018	Madiba Banquet Hall at JB Marks Municipality
Public Participation -Service Delivery Event	18 April 2018	Maquassi-Hills LM
Public Participation -Service Delivery Event	20 March 2018	JB Marks LM

Questions raised by community during the Public Participation held on 23 March 2018 at Madiba Baquet Hall - JB Marks Local Municipality are as follows:

Name & Surname	Ward No.	Questions	Management Responses
Isaac Meya	**Ward 33**	1. When is water testing done is it per request by the MM 2. When water testing, is the municipality going physically to check/verify or are they rely on the reports about the work done? 3. What happens to targets not achieved? 4. Chlorine doesn't kill bacteria the water in his ward dirty.	MM delegated to her team to answer some of the questions: 1. Water tested by the municipality and there are health official in each municipality 2. Water is tested every month and the district needs to know which tap it is in order to trace it back to the source. 3. Question not answered by management 4. It is the responsibility of the local to clean water they just verify if it is clean. The reports are sent to locals to ensure cleanliness.
Phindile Mboshane	**JB Marks Ward 18**	Question Page 92 budget is blank and what is OPEX	Question was not answered by management
Nkosnathi	**Matlosana Ward 5**	1. Page 117 the money used for cameras what are they for. When mugged in town the police can't see that event on those CCTV. 2. What does the 10% back to the community what happens to	1. Management explained that some cameras are not functional but why they are not recording was not mentioned by management. 2. The question was not answered by management

Name & Surname	Ward No.	Questions	Management Responses
		it? How are the EPWP's employed? 3. Is it the Councillors choice to employ and how the information is disseminated to the people? 4. No water and how the money is spent for agricultural expenditure.	3. Councillors send one name to the speaker's office from the ward hence each and every ward has one person. 4. Question not answered.
Olebogeng Maruping	**Maquassi Hills Ward 3**	1. What does Opex stand for 2. Achieved in the report how because he does not know how. 3. They never had EPWP from the district. People from Maquassi Hills are not hired within the district it's only the HR manager in the district. 4. The district has failed them and they never saw what the money was used for.	1. OPEX- Operational Expenditure such, expenditures 2. The question was not answered. 3. There are 8 employees in the municipality who are originally from Maquassi 4. The installed and cameras
Johannes Mongale	**Maquassi Hills Ward 10**	1. Page 91 KPI 19 – will they ever get help for their sporting activities as they are going towards the two oceans marathon? 2. There is no clinic and mall in town, the roads are bad with a lot of potholes. What are the orange overalls doing cos they don't see anything done? 3. The sewers systems are bad and making them sick. RDPs are a bad quality they have cracked. No water and electricity forward 4, 10 &11 as we leave in the dark.	1. The proposals should be submitted before June. 2. There are different responsibilities between the local and the district on infrastructure. 3. It is not the competency of the district the acting director Health to advice.
	Matlosana Ward 22 (kanana)	Infrastructure page 78 – health problem, using one clinic – drainage system not good, reported by no positive response.	It is not the competency of the district the acting director Health to advice.

Name & Surname	Ward No.	Questions	Management Responses
Ngwenya	Matlosana Ward 20	Page 88, 322 jobs can't remember when was the last time DRKKDM employed many people, only 3 months managed to employed 322. Possible, need to rectify their mistakes.	Expenditure showing on the CBP is previous year's expenditure.
Bongani Masaja	Matlosana Ward 23	Page 94 – what happened to the funds that does not achieved what supposed to achieve?	The municipality's funds were never taken back by the provincial and national budget.
Tebogo	JB Marks Ward 18	Nothing done that changed their life, it is wrong to be taken to attend something that has already done. People need to inform in time.	The municipality provided bursaries and corporative were taken to attend the coop 2020. The municipality
Goitsimang Motladiile	Matlosana Ward 5	Money used to spend to the projects should be used to employ people as there are not developments done in their areas.	The budget is planned according to IDP plans.
Phindile Bochana	JB Marks Ward 19	Page 92 – assisted 2 groups to go to perform in Grams town. What was the budget for each group?	The information was not provided for.
Nkosinathi Zenani	Matlosana Ward 5	1. Money use for cameras R9 million, when go to police station, they cannot use cameras to find crime. 2. What 10% back to community used for? 3. When employ CBP what is the procedure?	1. Cameras are situated in the CBD and there are grey areas were they don't reach.
Mogosi Abram	Matlosana Ward 22	Page 90 – people not get assisted, money used for what?	No answer provided for
Kgomotso Gaeje	Matlosana Ward 12	Tuck shops are selling expired food, how to get assistance	Each local municipality has its health inspector and the community should report.

Name & Surname	Ward No.	Questions	Management Responses
Nkosinathi Zenani	**Matlosana Ward 5**	1. Money use for cameras R9 million, when go to police station, they cannot use cameras to find crime. 2. What 10% back to community used for? 3. When employ CBP what is the procedure?	1. Cameras are situated in the CBD and there are grey areas were they don't reach.
Mogosi Abram	**Matlosana Ward 22**	Page 90 – people not get assisted, money used for what?	No answer provided for
Kgomotso Gaeje	**Matlosana Ward 12**	Tuck shops are selling expired food, how to get assistance	Each local municipality has its health inspector and the community should report.
Thapelo	**JB Marks Ward 16**	Not getting assistance from the district.	JB Marks will be assisted through VTSD.
Letlhogonolo	**Maquassi Ward 11**	Page 121 who benefited from R3 million	A list of bursary beneficiaries list was distributed
Thapelo	**Maquassi Ward 2**	Arts and Culture – when budget is out, it is only for certain people or it is for the whole district.	It's for the entire district.
Thabo	**JB Marks Ward 30**	List of beneficiaries – why only 10 benefited from Ventersdorp	Because only 10 qualified other applicants don't bring the required documents. There is a bursary committee which looks at individual application.
		Cameras. 49 demanded – 27 fully operational, 22 not operated	The contract is expiring. All cameras will be transferred to the locals.
Siphokazi	**Matlosana Ward 7**	1. Sewerage – some house are closed due to that, Ward Cllr not assisting. 2. Why Wi-Fi at the schools are closing Wi-Fi while they are for DrKKDM?	1. The acting director to assist with channels to address the issue. 2. The municipality will make a follow up to be done with the schools.
Paseka	**Maquassi Ward 3**	CCTV are not functional in Maquassi, crime is high.	2 cameras are functional and are located at the fire department.

IDP PROCESSES, PARTICIPATION AND ALIGNMENT

Section 28 of the Local Government: Municipal Systems Act states that *"Each Municipal Council within a prescribed period after the start of its elected term must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.*

IDP Review Process

The IDP is reviewed annually as informed by the continuously changing and dynamic conditions that exist in government in general, and Section 34 of the MSA provides for such..

IDP Amendment Process

Section 3 of the Local Government: Municipal Planning and Performance Management Regulations, prescribes a comprehensive process for amending the IDP. The Dr Kenneth Kaunda DM has been required to amend its integrated development plan over the last couple of years

SDBIP Revision Process

MFMA Section 54 (1) (c) provides and prescribes the revision of the SDBIP.

Section 3 then states that the mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Not all KPIs in the Strategic Plan are budgeted for
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes. Through Technical IDP and IDP Rep Forum
Were the four quarter aligned reports submitted within stipulated time frames?	No
** Section 26 of Municipal Systems Act 2000*	

RISK MANAGEMENT

Internal Audit Shared Service assisted in the prior year with the facilitation of risk management process due to the low maturity of risk management in the Municipality, however, Internal Audit Shared Service cannot run the Risk Management as it is in contradiction with the MFMA, IIA Standards and the Internal Audit Charter.

The management has the overall responsibility for ensuring that risks are managed effectively and it is their responsibility to create a risk management function separate from the Internal Audit Function.

ANTI-CORRUPTION AND FRAUD

The Provincial Anti-Corruption Forum (PACF) was established and launched in 2007 with a core mandate to develop a holistic and integrated approach to the fight against fraud and corruption, to build a framework for the Provincial integrity and to ensure a continued awareness to prevent and combat fraud and corruption, in order to embed and deepen the fight against corruption. The above mandate cascades to District Anti-Corruption Forums and further to Local Anti-Corruption Forums.

As it is the mission of PACF, DACF's and the LACF's to reduce the incidences of fraud and white collar crime, hundreds of organizations worldwide have partnered with the Association of Certified fraud examiners (ACFE) to participate in international fraud awareness week, in order to promote anti-fraud awareness and education.

SUPPLY CHAIN MANAGEMENT

Supply Chain Management as a tool for procurement remains a conduit for Service Delivery and as such a critical channel in how public resources are expended. It is in this light that Supply Chain Management across the public sector continues to be marred by controversy, poor service delivery; fraud and corruption have become synonymous with supply chain management.

BY-LAWS

By-laws by Year 2016/17					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Existing bylaw: Municipal Health By- law, Noise Control By- law and Air Quality Management By-law. No new by-laws were developed in 2016/17 financial year.	None	Yes (for existing by-laws)	16-19 August 2011	Yes	29-June-2012

WEBSITES

Documents to be published on the Municipality's / Entity's Website
Current annual and adjustments budgets and all budget-related documents
All current budget-related policies
The previous annual report (2016/17)
The annual report (2017/18) published/to be published
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2017/18) and resulting scorecards
All service delivery agreements (2017/18)
All long-term borrowing contracts (2017/18)
All supply chain management contracts above a prescribed value (give value) for 2017/18
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 2016/17
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section
Public-private partnership agreements referred to in section 120 made in 2017/18
All quarterly reports tabled in the council in terms of section 52 (d) during 2017/18

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

Dr. Kenneth Kaunda District Municipality Annual Performance Report is compiled in terms of Section 46 of Municipal Systems Act No. 32 of 2000 which states that:

(1) A municipality must prepare for each financial year a performance report reflecting:

a. The performance of the municipality and of each external service provider during that financial year;

b. A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and

c. Measure taken to improve performance

(2) An annual performance report must form part of the municipality's annual report in terms of chapter 12 of the Municipal Finance Management Act.

The following are the Key Performance Areas (KPA) for the year under review:

- KPA 1: Basic Service Delivery and Infrastructure Development
- KPA 2: Municipal Transformation and Organizational Development
- KPA 3: District Economic Development
- KPA 4: Municipal Financial Viability and Management
- KPA 5: Good Governance & Public Participation
- KPA 6: Spatial Rationale

7 (SEVEN) NATIONAL KEY PERFORMANCE INDICATORS

AS PER LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000, READ TOGETHER WITH MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001, PARAGRAPH 10

NO.	NATIONAL KEY PERFORMANCE INDICATOR	TARGET	ACTUAL PERFORMANCE
1	The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	None	Not Applicable to DRKKDM
2	The percentage of households earning less than R1100 per month with access to free basic services	None	Not Applicable to DRKKDM
3	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	None	The District did not have any capital projects identified for the 2017/18 financial year. Total of R6 436 million was spent on capital expenditure that is used for operational purposes (movable assets).
4	The number of jobs created through municipality's local, economic development initiatives including capital projects	300 Jobs created through LED Initiatives, EPWP, and Capital projects by June 2018	**Target Achieved.** 335 Jobs created through LED Initiatives EPWP, Capital project, Disaster Risk Volunteers, CBPs and Coordinators

NO.	NATIONAL KEY PERFORMANCE INDICATOR	TARGET	ACTUAL PERFORMANCE
			42 jobs created through LED Initiatives 142 jobs created through EPWP (Municipal Health and Environmental Services) 28 jobs created through Disaster Risk management Volunteers 30 jobs created through EPWP project (Roads, Technical Infrastructure Service) 93 CBPs (84 CBPs and 9 Coordinators) jobs created through the Office of the Speaker **NB. The number of jobs created are not permanent but opportunities created for a fixed term through LED Initiatives, EPWP, Disaster Risk Management Volunteers, Community BASED Workers(CBPs) and coordinators**

NO.	NATIONAL KEY PERFORMANCE INDICATOR	TARGET	ACTUAL PERFORMANCE
5	29 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2018	29 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2018	**Target Not Achieved.** 23 out of 29 post filled MM appointed on 31 September 2017. Re-advertised for the CFO that became vacant from 1st December 2017 posts and currently at recruitment and selection processes. DED Director position became vacant as from 1st of June 2017. The position of 2 directors (Municipal Health and Disaster Risk Management still need council's approval on advise received from office of the MEC for Local Government.
6	The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100% of municipality's budget actually spent on implementing its workplace skills plan by June 2018	**Target Achieved.** The workplace skills plan was budgeted R 700 000 100% of municipality's budget actually spent on implementing its workplace skills plan

NO.	NATIONAL KEY PERFORMANCE INDICATOR	TARGET	ACTUAL PERFORMANCE
7	Financial viability as expressed by the following ratios:		
	Debt Coverage Ratio	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2018	**Target Achieved.** Acceptable norm
	Outstanding Service Debtors to Revenue Ratio		Not applicable
	Cost Coverage Ratio		**Target Achieved.** Acceptable norm

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

1.1.Integrated Development Plan (IDP) Service Delivery Objectives

Large Basic Service Delivery Projects comparison between the prior financial year (2016/17 and financial year under review (2017/18) performance

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
Disaster Risk Management	**DRMC Maintained DRMC Equipped Fully Functional GIS Functioning Forums**	Review IDRMC Promulgate By Laws	Not Applicable	Draft By-Law tabled	By law enforcement
	Dolomite Risk Management Strategy completed and integrated into IDP	Phase 1 of Dolomite Risk Management Strategy	Phase 1 of Phase 3 for the District Dolomite Strategy conducted by June 2016	SCM Process finalised on Phase 2 of 3 phases for the District Dolomite Strategy by June 2018	Phase 2 of Dolomite Risk Management Strategy
	Disaster Risk Management Plan fully integrated into IDP	Build Disaster management capacity in sector Departments	Not Applicable	the municipality held meetings with Sector departments to address the intention of the district	Coordinate & oversee compliance of sector departments

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
	Fully Functional Emergency Management Team	Establish Community Emergency Response teams in all Local Municipalities	Not Applicable		Capacity Building Monitor & Evaluation
	Fully functional communication & information management system	Engage PDMC on uniform system implementation.	Not Applicable	The district held meeting with PDMC	Infrastructure development research
	Fully functional fire services in all towns in Maquassi Hills (rescue, fire & fire safety)	Capacitate, Employ & Equip Wolmaraanstad Develop fire services by law Establish FR Reserve Unit	Not Applicable	Hour shift system implemented Draft By-Law tabled	Development of Fire Service Master Plan Develop Dr KK MQH Fire Hydrant Database and GIS plotting Develop District Veld fire strategy Procurement of Fire Fighting Vehicle & Equipment

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
Municipal Health Services	**To reduce illegal dumping through EPWP programme**	To create job opportunities through EPWP to assist in reducing illegal dumping	145 Jobs created through environmental educational programme (EPWP) June 2017	142 Jobs created through environmental educational programme (EPWP) June 2018	Fully Implementation of the project
	To monitor and control air quality issues as per NEMA: Air quality Act,2004	To conduct on Air Quality Management activities	3 activities conducted on Air Quality Management June 2017	2 Air Quality Activities conducted June 2018	Transfer of AEL function from province to district and procurement of AEL system
	To enforce Municipal Bylaws through issuing of contravention tickets	Ensure to compliance through applications received and licenses issued by the municipality	Launch fine collection pilot project in Tlokwe	By-Laws and fine schedule reviewed. Public Participation, Council adoption and Gazetting to follow.	Collection of revenue & identification of gaps
	Revenue generation through licence fees implementation	For every application received by the municipality and licenses issued charge as per the fine schedule	1 by law on License fees approved by Council on 30 March 2017 and gazette on 13 June 2017	334 Licences issued June 2018	Advertisement of the notice including grace period

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
	Environmental Awareness Campaigns	Initiatives / campaigns to educate and capacitate communities on environmental issues	60 environmental awareness campaigns conducted by June 2017	53 awareness campaigns conducted June 2018	40 environmental awareness campaigns conduct within Dr Kenneth Kaunda District by June 2019
	Taking over of cemeteries function	Pilot taking over of cemeteries in Matlosana	Not Applicable	Not Applicable	Finalise baseline information.
ROADS AND TECHNICAL INFRASTRUCTURE SERVICES	**To provide integrated waste management facilities**	Detailed Desktop study & Assessment of existing facilities within the 3 Local Municipalities	Not Budgeted for	Not Budgeted for	To provide integrated waste management facilities
	To provide integrated Public Transport within the District	Development of the District Integrated Transport Plan (ITP)	First year of implementation, In progress	Consultations on the Draft DITP done, final draft to be submitted to Dr KKDM during the first quarter of 2017/18	To provide integrated Public Transport within the District

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
				Ongoing discussions with Province on transfer of functions (Public Transport to the District)	
		Establishment of District Transport Unit	Not Applicable	Not yet Achieved, deferred to 2018/19 financial year	Establishment of District Transport Unit
	Establishment of a Clothing & Textile Factory	Establish a Clothing & Textile Factory	Not Applicable	Local clothing and Textile industry Players have been Identified Draft MOU Developed between DR KKDM and Tau Lekoa mines. Discussions with The Fibre Processing and Manufacturing (FP&M) SETA for the training.	Signing of MOU and Service level agreement for the establishment of the factory with Tau Lekoa Mines Confirm cooperatives that have been assisted by Tau Lekoa and identify new beneficiaries of the project. Facilitated the Development of a business plan and Seek other investors and partners.

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
					facilitate training through the FP&M-SETA
	Establishment of a Hazardous Waste & Landfill Site	Establish a Hazardous Waste & Landfill Site	Not Applicable	The project has been registered with national treasury as a PPP facilitated by an appointed transactional advisor " Ntiyiso Consulting".	Establishment of a Harzadous Waste & Landfill Site
	Assist in Managing the Marifa Waste Management Plant	Assist in Managing the Marifa Waste Management Plant	R6.2 million spent towards plant infrastructure improvement	The project is not performing as expected. The district has facilitated the identification and approval of sites in local municipalities for the building of Buy Back centres. The district has solicited the Intervention of SEFA and Department of Small Business to assist the project to turn	Assist in Managing the Marifa Waste Management Plant

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
				around in order to improve on production.	
	Establishment of a Small Scale Farmers Support	Support scale mall farmers		Spent R422 955 in drilled borehole at Boskop	
	Establishment of the Shortleft Program	Establish Shortleft Program	Assisted in the hosting of Tourism Events projects in the three local municipalities	High Tea, MACEF Arts festival, High Veld Park walk and lebaleng , Ventersdorp family fun Day	Enter into strategic partnership with local events promoters – Food and wine festival in Matlosana, B2B Witpoort festival in Maquassi Hills, Kwas London in Maqiassi Hills, Lenong family heritage fun day in ventersdorp(JB Marks) lifestyle shows (Fashion and car shows).
	Establishment of the Vredefort Dome	Establish Vredefort Dome	Not Applicable	District tourism association is annually supported by the district coordinate local tourism forum programs e.g. the projects related to the	Coordinate and lobby support from public and private investors for the project. Promote the heritage site and

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
				marketing of the Vredefort dome through its association.	create awareness to the local communities.
	Establishment of the Tourism Award Event	Host a Tourism Award Event	Tlokwe Local Municipality was allocated a budget to support its tourism awards but the allocation was not claimed within the planned year.	Not achieved	Not Applicable
	Development of the James Motlatsi Turnaround Strategy	Development a turnaround strategy that will ensure that the James Motlatsi Stadium is used optimally	Not Applicable	Engagements and discussions are ensuing to identify stakeholders and strategic partners to ensure that the facility is optimally used. The District has been involved in the hosting of a number of games and the hosting of the Maize Cup.	Conclude the development of the turn-around strategy.

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
	Establishment of the Arts & Culture Centre	Establish Arts & Culture Centre	Not Applicable	Sector players have been identified through engagement with CATA and different arts and culture clubs, associations and individuals. The proposal is been developed.	Conclude the consultation process and submit a proposal to the relevant sector department and investors.
	Establishment of the Film Industry	Establish the Film Industry	Not Applicable	Presentation was made to the portfolio committee and endorsed the support in coordinating and lobbying for funding.	To conclude the stakeholder engagements and develop a business plan for funding.
	Establishment of the Cultural Festival	Establish the Cultural Festival	The department has assisted local promoters in hosting and participating at different cultural festivals.	MACEF, Kwas London , Grahamstown festival and others	Cultural festival
	Establishment of the	Establish the	Not Applicable	A concept " Coop 20-20 has been developed and launched in partnership with FEED	Finalise the MOUs and enter into service agreements and launch the project.

Policy Objectives Taken From IDP					
KPA	Service Objectives (i)	Outline Services (ii)	2016/17 Actual *Previous Year (iii)	2017/18 Actual (vii)	2018/19 *Current Year Service Objectives (viii)
	Entrepreneurial Centre	Entrepreneurial Centre		Project plan has been developed. Identified possible partners: MOU Lekoa Mines, NYDA, and Department of small business. SEDA. unemployed graduates and SMME/Cooperative Identified	update the database for unemployed graduates and SMME/cooperatives
	Establishment of the SMME's/Cooperatives Conditional Grants	Award Conditional Grants to SMME's/Cooperatives	Annual allocation of grants to SMMEs and Cooperatives has been done	Allocate conditional grants and refer others to other funders in public and private sector. Conditional grants policy reviewed. Developed Draft MOU with SEDA and Department of Small Business, NYDA	Conclude on the MOUs and SLA with the identified partners to increase the available allocated budget. Allocate grants to beneficiaries

1.2. Service Delivery and Budget Implementation Plan Progress Report

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

MUNICIPAL HEALTH SERVICES, TECHNICAL INFRASTRUCTURE SERVICES AND DISASTER RISK MANAGEMENT

THEMATIC AREAS	BASIC SERVICES DELIVERY																		
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																	
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Back log (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	65 environmental campaigns	44 environmental campaigns	Nil	**KPI 1** Number of environmental awareness campaigns conducted by June	Output	44 environmental awareness campaigns conducted by	R902 084 (37052301870FLP43ZZWD) (37052300120FLP43ZZWD)	R889 636	None	District wide	None	None	None	**Achieved** 53 environmental awareness campaigns conducted by June	The outbreak of listeriosis more awareness campaigns than initially	To always be available for sector and National departments	Campaign reports, pictures,

THEMATIC AREAS	BASIC SERVICES DELIVERY																			
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																			
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																		
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Back log (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
						2018 MH&EMS		June 2018	(37052300 140FLP43 ZZWD)							2018	planned		

THEMATIC AREAS	BASIC SERVICES DELIVERY																		
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																	
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Back log (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	12 compliance reports on drinking water samples taken tested	12 compliance reports on drinking water samples taken tested	Nil	**KPI 2** Number of compliance reports on drinking water samples taken tested from Tlokwe, Matlosana, Ventersdorp and Maquassi Hills Local Municipalities submitted by June 2018	Output	12 compliance reports on drinking water samples taken tested from Tlokwe, Matlosana, Ventersdorp and Maquassi Hills Local Municipalities submitted by June 2018	R378 000 37052273330FLP94ZZWD Shared Vote	R321 700	None	District wide	None	None	None	**Achieved** 12 compliance reports on drinking water samples taken tested by June 2018	None	None	Sampling points list, Sample analysis results

THEMATIC AREAS	BASIC SERVICES DELIVERY																		
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																	
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Back log (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	41 water samples taken tested at the reservoirs in Tlokwe, Ventersdorp, Matlosana and Maquassi Hills Local Municipality by June 2018	16 water samples taken tested at the reservoirs	Nil	**KPI 3** Number of water samples taken tested at the reservoirs in Tlokwe, Ventersdorp, Matlosana and Maquassi Hills Local Municipality by June 2018 MH&EMS	Output	48 water samples taken tested at the reservoirs in Tlokwe, Ventersdorp, Matlosana and Maquassi Hills Local Municipality by June 2018	R378 000 370522733 30FLP94Z ZWD Shared Vote	R 321 700	None	District wide	None	None	None	**Achieved** 48 water samples taken tested at the reservoirs in Tlokwe, Ventersdorp, Matlosana and Maquassi Hills and Maquassi Hills by June 2018	None	None	Sampling point list, sample analysis results

THEMATIC AREAS	BASIC SERVICES DELIVERY																		
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																	
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Back log (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	3 activities on Air Quality Management	2 activities on Air Quality Management	Nil	**KPI 4** Number of activities conducted on Air Quality Management by June 2018 MH&EMS	Output	2 activities conducted on Air Quality Management by June 2018	R30 000 37052270310FLP02ZZWD	R 27 878	None	Institutional	None	None	None	**Achieved** 2 activity conducted on Air Quality Management by June 2018	None	None	Approved AQMP, Council resolution, schedule of meetings and attendance register

THEMATIC AREAS	BASIC SERVICES DELIVERY																		
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																	
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Back log (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Health and Environmental Management Services	To provide environmental health services	Municipal Health Service	Approved and Gazetted By-Law	New	Nil	**KPI 5** Number of municipal health licences issued by June 2018 MH&EMS	Output	250 municipal health licences issued by June 2018	OPEX	OPEX	None	District wide	None	None	JB Marks	**Achieved** 334 municipal health licences issued by June 2018	Due to the fact that this is a new function, the district did not want to highly estimate the number of application received	Make the 2017/18 /Baseline to guide the 2018/19 target to be set	Reports on license issued

THEMATIC AREAS	BASIC SERVICES DELIVERY																		
KPA	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																		
OUTCOME 9	OUTPUT 2	IMPROVING ACCESS TO BASIC SERVICES																	
	OUTPUT 4	ACTIONS SUPPORTIVE OF THE HUMAN SETTLEMENT OUTCOME																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION and/or LESSON LEARNT	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Technical Services	To promote physical infrastructure development services	Municipal Planning	Condition assessment of paved roads	3 RRAMS Pavement Management System Reports produced	Nil	**KPI 6** Number of RRAMS Pavement Management System Reports produced for paved roads by June 2018 TIS	Output	3 RRAMS Pavement Management System Reports produced by June 2018	R2 455 000 3505227256 0RRP34ZZWD Shared Vote	R 2 455 000	None	District wide	None	None	None	**Not Achieved**	The draft report received in June 2018 and the final report will be approved in August 2018 as per RRAMS Grant condition framework	Align the target date of the Conditional Grant Framework with the municipal financial year timeframes	RRAMS Pavement Management System

KPA 1	
Number of Targets Achieved	Number of Targets Not Achieved
	
5 out of 6	1 out of 6
The following departments contributed towards Basic Service Delivery and Infrastructure Development KPA	
Municipal Health Services, Services	5 Targets
Technical Infrastructure	1 Target
Disaster Risk Management	0 Targets

KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUIONAL DEVELOPMENT

NATIONAL LG PRIORITIES	*LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT*																	
KPA	*MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT*																	
OUTCOME 9	*OUTPUT 1*	*IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT*																
	OUTPUT 6	*ADMINISTRATIVE AND FINANCIAL CAPABILITY*																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	KHK	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Human Resources	To ensure municipal excellence	Municipal Planning	posts advertised filled as per the approved funded structure	100% of posts advertised filled as per the approved funded structure	Nil	**KPI 7** Percentage of posts advertised filled as per the approved funded structure by June 2018 CS	Output	100% of posts advertised filled as per the approved funded structure by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved** 83% (10 out of 12) posts advertised filled. FMG interns appointed MPAC Manager post filled Appointed Aide Camp Appointed 5	The CFO position had to be re-advertised. Both the CFO position and Disability Coordinator were closing on July 2018 which falls in the new financial year	To finalise the recruitment and selection process by no later than the end of 2nd quarter of the new financial year	Reports on posts advertised filled as per the approved funded structure

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	KPK	SETSOKOTSANE	SAAMTREK-SAAMWERK				
																Audit committee CFO position and Disability Coordinator on recruitment and selection process			

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	KHK	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Human Resources	To ensure municipal excellence	Municipal Planning	2 vacant Manager's post at selection and recruitment processes	29 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	6 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	**KPI 8** Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2018 CS	Output	29 people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved** MM appointed on 31 September 2017 Advertised for the CFO posts and currently at recruitment and selection processes	The position of 2 directors (Municipal Health and Disaster Risk Management still need council's approval on advise received from office of the MEC for Local Government. Due to the internal moratorium on vacant position, the manager posts that are vacant could not be filled offices	Request council to rescind the council resolution before end on 2nd quarter 2018/19 Review of top layer structure to merge departments together as advised by MEC for Local Government	Report on employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	YTSD	KHK	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Human Resources	To ensure municipal excellence	Municipal Planning	Timeous submission report on the workplace skills plan submitted to LGSETA by April 2017	Timeous submission report on the workplace skills plan submitted to LGSETA by 30 April 2018	Nil	KPI 9 Timeous submission report on the workplace skills plan submitted to LGSETA by 30 April 2018 CS	Output	Report on the workplace skills plan submitted to LGSETA by 30 April 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Report on the workplace skills plan submitted to LGSETA	None	None	Report on the workplace skills plan

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	KHK	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Human Resources	To ensure municipal excellence	Municipal Planning	Annual skills summit attended in the previous financial year	1 Skills Summit	Nil	**KPI 10** Number of Skills Summit attended by February 2018 CS	Output	1 Skills Summit attended by February 2018	R 237 500 (33052286 10FLP79Z ZWD) (33052301 870FLP79Z ZWD) (33052305 730FLP79Z ZWD)	R231 907	None	Institutional	None	None	None	**Achieved** The skills summit attended on 15-16 February 2018	None	None	Report on the workplace skills plan

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT															
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY															
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	KHK	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Legal Services	To ensure municipal excellence	Municipal Planning	2015/16 Contract register s updated	2016/17 Contract register s updated	Nil	**KPI 11** Number of Contract registers updated by June 2018 CS BTO	Output	4 Contract registers updated by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** 4 Contract registers updated	None	None	Contract register updated

KPA 2	
Number of Targets Achieved	Number of Targets Not Achieved
	
3 out of 5	2 out of 5
The following departments contributed towards Municipal Transformation and Instituional Development KPA	
Corporate Services	5 Targets

KPA 3: DISTRICT ECONOMIC DEVELOPMENT

NATIONAL LG PRIORITIES	*LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT*																		
KPA	*MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT*																		
OUTCOME 9	*OUTPUT 1*	*IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT*																	
	OUTPUT 6	*ADMINISTRATIVE AND FINANCIAL CAPABILITY*																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																		
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																		
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development and Tourism	To promote socio-economic development	Regional Tourism Municipal Planning Municipal Health Services Disaster Management	322 Jobs created through LED Initiatives, EPWP, CBP and Capital projects	200 Jobs created through LED Initiatives, EPWP, CBP and Capital projects	Nil	**KPI 12** Number of Jobs created through LED Initiatives, EPWP, CBPs and Capital projects by June 2018 DED DRM IS MH&EMS	Output	300 Jobs created through LED Initiatives, EPWP and Capital projects by June 2018	R2 880 136 R1 292 000 EPWP Grant R1 588 136 Internal EPWP Funding	R2 832 868	ACT	Matlosana JB Marks and Maquassi hills	RHR	None	SaamTrek Saamwerk	**Achieved** 335 jobs created: 42 LED initiatives 142 EPWP 30 Capital Projects 28 DRM Jobs created 84 Coordinators and 9 CBPs	EPWP grant allocate allows us to create more jobs	None	Report on Jobs created through LED Initiatives, EPWP and Capital projects

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1 OUTPUT 6	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development: Tourism	To promote socio-economic development	Regional Tourism	1 Tourism SMMEs and Cooperatives supported through Conditional Grants	3 Tourism SMMEs and Cooperatives to be supported through Conditional Grants	2 Tourism SMMEs and Cooperatives to be supported through Conditional Grants	**KPI 13** Number of Tourism SMMEs and Cooperatives supported through Conditional Grants by end June 2018 DED	Output	1 Tourism SMMEs and Cooperatives supported through Conditional Grants by end June 2018	R100 000 (36052592830FLP95ZZWD)	R 85 219	Tourism	Matlosana JB Marks and Maquassi	RHR	None	None	**Achieved** Assisted Dinonyana in participating during the SAMA Awards	None	None	Report on Tourism SMMEs and Cooperatives supported through Conditional

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development: Tourism	To promote socio-economic development	Regional Tourism	2 tourism marketing exhibitions attended	2 tourism marketing exhibitions attended	Nil	**KPI 14** Number of tourism marketing exhibitions attended by June 2018 DED	outcome	1 tourism marketing exhibitions attended by June 2018	R450 000 (36052280030FLP71ZZWD)	R 449 850	Tourism	Matlosana, JB Marks and Maquassi hills	RHR	None	SaamtrekSaamwerk	**Achieved** 5 Tourism marketing exhibitions attended Attended and supported High tea event Supported the hosting of Matlosana Arts and Culture Exchange Festival Supported the hosting of Highveld Heritage and Lebaleng fun walk Supported the hosting of indoor cricket Supported	None	None	Report on the exhibition tournament

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development: sports and recreation	To promote socio-economic development	Regional Tourism	5 sports and recreation initiatives	4 sports and recreation initiatives	Nil	**KPI 15** Number of sports and recreation initiatives supported by June 2018 DED	Outcome	5 sports and recreation initiatives supported by June 2018	R500 000 (360522800 30FLP82ZZ WD) Shared Vote	R 496 864	Tourism	Matlosana, JB Marks and Maquassi hills	None	None	None	**Achieved** 5 sports and recreation initiative supported North West Cricket supported , National table tennis, Attended the SAMSRA Provincial National event Assisted Kagiso Marumo from Orkney for Sport IQ	None	None	Report on Sports and Recreation initiatives supported

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																		
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																		
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development: Arts, Culture and Heritage	To promote socio-economic development	Regional Tourism	Workshop conducted and profiling for implementation of Agric Parks in the District	3 Arts, Culture and Heritage initiatives	1 Arts, Culture and Heritage initiatives	**KPI 16** Number of Arts, Culture and Heritage initiatives supported by June 2018 DED	Impact	3 Arts, Culture and Heritage initiatives supported by June 2018	R500 000 (36052280030FLP82ZZWD) Shared Vote	R496 864	Tourism	District Wide	None	None	None	**Achieved** 3 Arts, Culture and Heritage initiatives supported. Khuma choral for participation in Old mutual national choir festival, Barorisi Clap and Tap for recording., Hosting of MACEF arts and culture festival	None	None	Report on Arts, Culture and Heritage initiatives supported

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development	To promote socio-economic development	Regional Tourism	SCM Processes to unfold	2 district rural development supported/	2 district rural development supported	**KPI 17** Percentage of budget spent on district rural development supported by June 2018 DED	outcome	100% of budget spent on district rural development supported by June 2018	R 500 000 (36052690840FLP77ZZWD)	R498 908	Agricultural	District Rural areas	RHR	None	None	**Achieved** 100% of budget spent on district rural development assisted 2 bakeries (Thabzelt trading and link international) and drilled borehole at Boskop	None	None	Report district rural development

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District economic development :ACT	To promote socio-economic development	Regional Tourism	8 Shotleft activities implemented in 2015/16	6 Economic development initiatives programs	Nil	**KPI 18** Number of Economic Development initiatives programs implemented by June 2018 DED	Outcome	2 district economic development initiatives implemented by June 2018	R350 000 (36052300120FLP28ZZR3)	R 265 716	Act	District wide	None	None	Dept.of FEED, Anglo gold ashanti, SEDA and LMs	**Achieved** 4 district economic development initiatives supported . Assisted Ventersdorp family festival as short left program Supported Tlokwe family day event as a short-left event supported Matlosana rugby supported groups from JB Marks, Maquassi Hills and Matlosana	None	None	Report on Economic Development initiatives programs implemented

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District economic development :ACT	To promote socio-economic development	Regional Tourism	2 SMMEs/Cooperatives Business development initiatives supported	10 SMMEs/ Cooperatives Business development initiatives supported	15 SMMEs/ Cooperatives Business development initiatives supported	**KPI 19** Percentage of budget spent to support SMMEs/Cooperatives Business development initiatives by June 2018 DED	Outcome	100% budget spent on supporting SMMEs/Cooperatives Business Development initiatives by June 2018	R550 000 (36052323600FLP81ZZWD)	R 500 378	Act	District wide	None	None	None	**Not Achieved** 91% of the budget spent through conditional grants Aretsholetseng trading, Jardines Trading Ponya Holdings, Kbtwomee, Unibrella, Hlompho Developement Nontuulu tradingskarapiLink International bakery	The requests received were found not to be compliant (some were in-service of state and other did not submit declaration forms	The issue on declaration was included in the reviewed grant policy.	Report on SMMEs/Cooperatives business development initiative supported

NATIONAL LG PRIORITIES	LABOUR MATTERS ,FINANCIAL AND ADMINISTRATIVE CAPACITY, SERVICE DELIVERY, FINANCIAL VIABILITY, GOOD GOVERNANCE, INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT, ECONOMIC DEVELOPMENT																	
KPA	MUNICIPAL TRANSFORMATIONS AND ORGANISATIONAL DEVELOPMENT																	
OUTCOME 9	OUTPUT 1	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITY																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/ or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	Regional Tourism	Nil	2 Business/Entrepreneurs	4 Business/Entrepreneurs	**KPI 20** Number of Business/Entrepreneurs funded by June 2018 EM	Outcome	2 Business/ Entrepreneurs funded by June 2018	R300 000 (31052593000FLP09ZZWD)	R 55 086	None	Maquassi hills and	None	None	None	**Achieved** 2 Businesses were funded	None	None	Reports on business that were funded

KPA 3	
Number of Targets Achieved	Number of Targets Not Achieved
	
8 out of 9	1 out of 9
The following departments contributed towards District Economic Development KPA	
District Economic Development	8 Targets
Office of the Executive Mayor	1 Target

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																	
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																	
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	12 MFMA section 71 reports submitted	12 MFMA section 71 reports	Nil	**KPI 21** Number of MFMA section 71 reports submitted within 10 working days by June 2018 BTO	Output	12 MFMA section 71 reports submitted within 10 working days by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** 3 MFMA section 71 reports submitted	None	None	12 Monthly budget statements (section 71 reports) signed off by the CFO

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
											None	Institutional	None	None	None				
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	Adjustment budget for 2016/17 tabled by February 2017	2017/18 adjustment budget	Nil	**KPI 22** 2017/18 adjustment budget developed approved by February 2018 BTO	Output	2017/18 adjustment budget developed approved by February 2018	OPEX	OPEX						**Achieved** 2017/18 adjustment budget developed approved	None	None	Council resolution and 2017/18 Adjustment Budget

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2017/18 budget approved June 2017 (MFMA, Sec 25)	2018/19 budget compiled approved	Nil	**KPI 23** 2018/19 budget compiled approved by May 2018 BTO	Output	Compiled 2018/19 budget approved by May 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved** 2018/19 budget tabled for approval deferred back	Disagreements in council on the budget	2018/19 Budget compiled tabled in terms of MFMA Section 25None	Council Resolution and Approved 2018/19 budget

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2015/16 AFS submitted to AGSA by August 2016	2016/17 Annual Financial Statements	Nil	**KPI 24** 2016/17 Annual Financial Statements approved by council submitted to AGSA by August 2017 BTO	Output	Approved 2016/17 Annual Financial Statements by council submitted to AGSA by August 2017	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Approved 2016/17 Annual Financial Statements by council	None	None	Council Resolution and 2016/17 Annual Financial Statements

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK					
Corporate Services	To ensure internal municipal excellence	Municipal planning	100% of municipality's budget actually spent on implementing its workplace skills plan	100% of municipality's budget actually spent on implementing its workplace skills	Nil	**KPI 25** Percentage of municipality's budget actually spent on implementing its workplace skills plan by June 2018 BTO CS	Output	100% of municipality's budget actually spent on implementing its workplace skills plan by June 2018	R700 000	R705 826	None	Institutional	None	None	None	**Achieved** 101% of municipality's budget spent on WSP	Universities approved for leaners in January and the invoice was received immediately whears it is registered to strat in July	Internal arrangement is to register new in takes in May/June months to start in July to avoid interest charged by unicivertie s	Workplace skills plan detailed Report

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Budget and Treasury District Economic Development	To ensure internal municipal excellence	Municipal Planning	R3,000,000 transferred to District Economic Agency and R100,000 to Secondary Co-operatives	R 3,100,000 of funds transferred to District Economic Agency, Tourism Association and Secondary Co-operatives	R90,000 transfer to Tourism association	**KPI 26** Total Amount of funds transferred to District Economic Agency, Tourism Association and Secondary Cooperatives by March 2018 DEDBTO	Output	R 3,100,000 of funds transferred to District Economic Agency, Tourism Association and Secondary Co-operatives by March 2018	R3 100 000 (36052307010FLP33ZZWD) (36052592830FLP31ZZWD) (36052593000FLP32ZZWD)	R3100 000	ACT	None JB Marks Matlosana Maquassihills	None	None	None	**Achieved** 3,150,000 of funds transferred to District Economic Agency, Tourism Information Centre and Secondary Co-operatives	None	None	Proof of transfer made to District Economic Agency, Tourism Association and Secondary Co-operatives

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	Acceptable norm of financial viability as expressed by the ratios (debt age)	Acceptable norm of financial viability as expressed by the ratios 2018	Nil	**KPI 27** Financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2018 BTO	Output	Acceptable norm of financial viability as expressed by the ratios (debt coverage ratio, outstanding service debtors to revenue, Cost coverage age) by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Acceptable norm of financial viability as expressed	None	None	Financial viability ratios report

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1	A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																	
	OUTPUT 6	ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT		RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Information, Communications and Technology	To ensure internal municipal excellence	None	92 sites provided with access to WIFI within the district	92 areas provided with access to WIFI within the district	Nil	**KPI 28** Number of sites provided with access to WIFI within the district by June 2018 ICT	Impact	92 sites provided with access to WIFI within the district by June 2018	R6 600 000 (34056471420ORC31ZZHO)	R5 278 162	Tourism	Maquassi Hills Matlosana	RHR	None	SaamTrek SaamWerk	**Achieved** 92 areas provided with access WIFI	None	None	WIFI report hotspots through out the district

NATIONAL LG PRIORITIES	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE.																		
KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																		
OUTCOME 9	OUTPUT 1		A POLICY FRAMEWORK THAT PROVIDES FOR A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT IS IMPLEMENTED																
	OUTPUT 6		ADMINISTRATIVE AND FINANCIAL CAPABILITIES OF MUNICIPALITIES ARE ENHANCED																
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK					
Information, Communications and Technology	To ensure internal municipal excellence	Municipal Planning	12 reports from operating call center submitted	12 reports from operating call center submitted	Nil	**KPI 29** Number of reports from operating call center submitted by June 2018 ICT	Output	12 reports from operating call center submitted by June 2018	R8 315 000 (34052260610FLP27ZZWD)	R9 049 472	None	Manuassi Hills RHR		None	SaamTrek SaamWerk	**Achieved** 12 reports from operating centre centers submitted	None	None	Call Center reports

KPA 4	
Number of Targets Achieved	Number of Targets Not Achieved
	
8 out of 9	1 out of 9
The following departments contributed towards Municipal Financial Viability and Management KPA	
Finance	5 Targets
Corporate Services	1 Target
District Economic Developement	1 Target
Information Technology	2 Targets

KPA 5: GOOD GOVERNANCE AND PUBLI C PARTICIPATION

Municipal Manager's Office: Internal Audit, Corporate Communications, Strategic Planning, Performance Management System, MISS- Municipal Information Security Standards, Speakers Office and Executive Mayor's Office

NATIONAL LG PRIORITIES	*BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION* *ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE*																		
KPA 2	*TO PROMOTE GOOD GOVERNANCE*																		
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Budget and Treasury	To ensure internal municipal excellence	Municipal Planning	2017/18 (8) budget related policies developed and reviewed	2018/19 (8) budget related policies developed and reviewe6	Nil	**KPI 30** Number of budget related policies workshoped adopted by May 2018 BTO	Output	8 Budget related policies workshoped adopted by May 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Budget related policies workshoped adopted	None	None	Council Resolutions and budget related policies

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KPA 2	*TO PROMOTE GOOD GOVERNANCE*																		
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development	To promote socio-economic development	Municipal Planning	Draft Sport and Recreation strategy	Approval of Tourism, Sport and Recreation strategy	Approved of Tourism, Sport and Recreation strategy	**KPI 31** Number of Sport and Recreation strategy workshoped adopted by June 2018 DED	Output	1 Sport and Recreation strategy workshoped adopted by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved** Draft Sport and Recreation strategy compiled	Inputs within the department were not finalized	To ensure that the reviewed finalized strategy is workshopped in the new financial year	Draft Sport and Recreation Strategy

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KPA 2	*TO PROMOTE GOOD GOVERNANCE*																		
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
District Economic Development	To promote socio-economic development	Municipal Planning	Draft Conditional grants Policy	Approval of Conditional grants Policy	Approved Conditional grants Policy	**KPI 32** Number of Conditional grants Policy workshoped adopted by June 2018 DED	Output	1 Conditional grants Policy workshoped adopted by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Conditional Grants Policy workshop conducted	None	None	Council Resolution and Conditional grants Policy

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KPA 2	TO PROMOTE GOOD GOVERNANCE																		
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Disaster Risk Management	To ensure disaster risk management	Municipal Planning	Draft District Disaster Management Plan Reviewed	Approval of District Disaster Management Plan	Approved District Disaster Management Plan	**KPI 33** District Disaster Management Plan workshoped adopted by June 2018 DRM	Output	District Disaster Management Plan workshoped adopted by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** District Disaster Management Plan workshoped adopted	None	None	District Disaster Management Plan
Disaster Risk Management	To ensure internal municipal excellence	Municipal Planning	Draft fire services By-Law developed	Development of fire services By-Law	Developed fire services By-Law developed	**KPI 34** Number of draft fire services By-Laws workshoped by June 2018 DRM	Output	1 draft fire services By-Laws workshoped by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** draft fire services By-Law workshoped	None	None	draft fire services By-Law

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	ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																			
KPA 2	*TO PROMOTE GOOD GOVERNANCE*																			
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																			
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Corporate Services	To ensure internal municipal excellence	Municipal Planning	42 HR Policies reviewed adopted	Reviewed 42 HR Policies	Nil	**KPI 35** Number of HR Policies workshoped adopted by June 2018 CS	Output	42 Policies workshoped adopted by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved** 25 HR Policies workshoped and adopted by council	Due to lack of human capacity in HR Unit other HR Policies could not be reviewed	Ensure that the remaining policies to be reviewed are cone in the new financial year no later than end of 2nd quarter	Council Resolution and HR Policies adopted

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OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Strategic Planning Internal Audit	To ensure internal municipal excellence	Municipal Planning	2016/17 Risk Assessment	risk assessment conducted for DRKKDM and District Economic Agency	Nil	**KPI 36** Number of risk assessment conducted for DRKKDM and District Economic Agency by September 2017 RC	Output	2 risk assessment conducted for DRKKDM and District Economic Agency by September 2017	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** 2 risk assessment conducted for DRKKDM and District Economic Agency	None	None	Risk assessment report/risk register & AC minutes

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OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																			
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Internal Audit	To ensure internal municipal excellence	Municipal Planning	2 risk management polices reviewed for DRKKDM and District Economic Agency	Approval of 2 reviewed risk management policies for DRKKDM and District Economic Agency	Approved 2 risk management policies for DRKKDM and District Economic Agency	**KPI 37** Number of risk management policies reviewed for DRKKDM and District Economic Agency approved by June 2018 RC	Input	2 risk management policies reviewed for DRKKDM and District Economic Agency approved by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved**	No official appointed to champion Risk management.	MM to resuscitated or appoint the risk committee before end of 1st quarter 2017/18 Policy to be workshopped ed before end of 2017/18 2nd quarter	None

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KPA 2	*TO PROMOTE GOOD GOVERNANCE*																		
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Internal Audit	To ensure internal municipal excellence	Municipal Planning	3 approved Audit Plans 2016/17 (District, District Agency & Maquassi Hills Local Municipality)	3 approved risk based audit plans for the shared IA service	Nil	**KPI 38** Number of approved risk based audit plans for the shared IA service by September 2017 IA	Output	3 approved risk based audit plans for the shared IA service by September 2017	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** approved risk based audit plans	None	None	Approved Audit Plans

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Internal Audit	To ensure internal municipal excellence		5 AC meetings coordinated	5 AC meetings coordinated reports	Nil	**KPI 39** Number of AC meetings coordinated for District, District Agency and Maquassi Hills by June 2018 IA	Output	5 AC meetings coordinated for District, District Agency and Maquassi Hills by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved** 2 AC meetings coordinated	Contract of Audit committee expired	As soon as recruitment and selection processes are finalized schedule meetings for the newly appointed AC	Audit committee Agenda and minutes

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OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Communications	To ensure internal municipal excellence	Municipal Planning	Reviewed Communications Strategy workshopped to council	Approval of reviewed Communications Strategy	Approved reviewed Communications Strategy	**KPI 40** Number of reviewed Communication Strategy adopted by December 2017 COMM	Output	1 reviewed Communications Strategy adopted by December 2017	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Communication Strategy adopted	None	None	Council resolution and approved Communications Strategy

NATIONAL LG PRIORITIES	*BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION* *ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE*
KPA 2	*TO PROMOTE GOOD GOVERNANCE*
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	1IDP Rep Representative Forum Meeting held	1 IDP Rep Representative Forum Meeting	Nil	**KPI 41** Number of IDP Rep Representative Forum Meetings conducted by June 2018	Outcome	1 IDP Rep Representative Forum Meetings conducted by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** IDP Rep Representative Forum Meeting conducted	None	None	Reports on IDP Rep Representative Forum

NATIONAL LG PRIORITIES	*BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION* *ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE*																		
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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Strategic Planning	To ensure internal municipal excellence	Municipal Planning	5 year plan IDP Document for approved	2018/19 IDP Reviewed	Nil	**KPI 42** Number of 2018/19 IDP reviewed adopted by Council by June 2018 [redacted]	Output	(1) 2018/19 IDP reviewed adopted by Council by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** (1) 2018/19 IDP reviewed adopted	None	None	Council Resolution and 2018/19 IDP reviewed
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	Draft PMS Policy Framework reviewed	Workshop and approval of PMS Policy Framework for 2017/18	Approved PMS Policy Framework	**KPI 43** Number PMS Policy Framework reviewed adopted by August 2017 PMS	Output	1 PMS Policy Framework reviewed adopted by August 2017	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** 1 PMS Policy Framework reviewed adopted	None	None	1 PMS Policy Framework reviewed

NATIONAL LG PRIORITIES	*BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION* *ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE*
KPA 2	*TO PROMOTE GOOD GOVERNANCE*
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	2016/17 Top layer SDBIP approved	2017/18 Top layer SDBIP	Nil	**KPI 44** Number of 2018/19 Top layer SDBIP approved by Executive Mayor by June 2018 PMS	Output	1 2018/19 Top layer SDBIP approved by Executive Mayor by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Not Achieved**	The approval of the 2018/19 SDBIP dependent on the approval of the budget. The budget was approved on June 2018 in terms of MFMA Sec 25	Ensure the approval of the SDBIP is done in terms of MFMA Sec 53(1)(c)(ii)	2018/19 Top layer SDBIP approved

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KPA 2	TO PROMOTE GOOD GOVERNANCE																	
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																	
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Performance Management Systems	To ensure internal municipal excellence	Municipal planning ng	2016/17 Mid-Year Term Performance Reports compiled	2017/18 Mid-Year Performance Assessment Report	Nil	**KPI 45** Number of Mid-Year Performance Assessment Report compiled approved by January 2018 BTO PMS	Output	(1) 2017/18 Mid-Year Performance Assessment Report compiled approved by January 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** (1)2017/18 Mid-Year Performance Assessment Report compiled	None	None	Council Resolution and 2017/18 Mid-Year Performance Assessment Report compiled

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KPA 2	*TO PROMOTE GOOD GOVERNANCE*
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Performance Management Systems	To ensure internal municipal excellence	Municipal Planning	Approved 2016/17 municipal annual performance report(sec 46) AND Annual Report	2017/18 annual performance report and Annual report compiled	Nil	**KPI 46** Timeous submission of 2016/17 annual performance report and Annual report compiled approved by August 2017 PMS	Output	2016/17 annual performance report and Annual report compiled approved timeously by August 2017	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** 2016/17 Annual performance report and Annual report compiled approved	None	None	Annual performance report and Annual report

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																		
KPA 2	TO PROMOTE GOOD GOVERNANCE																		
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																		
FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Information Security Standards	To ensure internal municipal excellence	Municipal Planning	Approved Security policy	Review of Security policy	Nil	**KPI 47** Number of Security policy workshoped approved by June 2018	Output	1 Security policy workshoped approved by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** Security policy workshoped approved	None	None	Council Resolution and Security Policy

NATIONAL LG PRIORITIES	*BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION* *ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE*
KPA 2	*TO PROMOTE GOOD GOVERNANCE*
OUTCOME 9	*OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE*

FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Municipal Information Security Standards	To ensure internal municipal excellence	None	27 CCTV Cameras operating (6 Tlokwe, 20 Klerksdorp, 1 Ventersdorp, 0 Maquassi Hills)	49 CCTV Cameras operating	22 CCTV Cameras not operating	**KPI 48** Number of CCTV Cameras operating by June 2018	Output	27 CCTV Cameras operating by June 2018	R9 150 000 32052265400FLMRCZZWD	R9 147 536	None	Hot spots In ward where CCTV's are allocated	None	None	None	**Achieved** 27 CCTV Cameras operating	None	None	Report on CCTV Cameras operating

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Speaker	To ensure internal municipal excellence	Municipal Planning	council meetings coordinate	6 council meetings	Nil	**KPI 49** Number of council meetings coordinate by June 2018 SP	Output	8 council meetings coordinate by June 2018	OPEX	OPEX	None	Institutional	None	None	None	**Achieved** 9 Council meetings conducted	None	None	Council minutes

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Speaker	To ensure internal municipal excellence	Municipal Planning	1 MPAC Public Participation meeting	1 MPAC Public Participation meeting	Nil	**KPI 50** Number of MPAC Public Participation meetings held by March 2018 SP	Output	1 MPAC Public Participation meeting held by March 2018	OPEX	OPEX	None	Within the district	None	None	None	**Achieved** 1 MPAC Public Participation meeting held	None	None	Public Participation minutes & Attendance Registers

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	49 families requested support assisted	30 indigent families requested support on burial	Nil	**KPI 51** Number indigent families requested support on burial assisted by June 2018 EM	Impact	50 indigent families requested support on burial assisted by June 2018	R200 000 (31052305 980FLP14Z ZWD)	R 192 672	None	Matlosana , Maquassi Hills & JB Marks	RHR	None	None	**Achieved** 50 indigent families requested support on burial assisted.	None	None	Report on assistance on indigent families requested support on burial

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	crèches renovation and educational toys	Support orphanage house	Nil	**KPI 52** Number of orphanage houses supported during Mandela Day by July 2017 EM	outcome	1 orphanage house supported during Mandela Day by July 2017	R51 900 (31052280 030FLP61Z ZWD)	R51 816	None	Tlokwe	RHR	None	None	**Achieved** Actively held at Saultul Islamic Orphanage at JB Marks Municipality during Mandela Day	None	None	Report on Mandela Activity held

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	136 Students benefited	300 students	244	**KPI 53** Number of students awarded with financial assistance for registration in Higher learning institutions by March 2018 EM	Impact	135 students awarded with financial assistance for registration in Higher learning institutions by March 2018	R2 700 000 (31052590 650FLP63Z ZWD)	R2 285 600	None	Matlosana Maquassi Hills & JB Marks	RHR	None	None	**Achieved** 168 students awarded with financial assistance	The budget sufficient for the number of requests received	To spend within the allocated budget and only exceed the target planned for if the budget is still available to accommodate other applicants	Report on students awarded financial

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	Supported students that applied for financial assistance	Support of 5 educational request	5 Students offered financial assistance	**KPI 54** Number of educational request supported by March 2018 EM	Output	5 educational request supported by March 2018	R250 000 (31052540 650FLP36Z ZWD)	R133 140	None	Matlosana Maquassi Hills & JB Marks	None	None	None	**Achieved** 10 students offered financial support	The budget sufficient for the number of requests received	To spend within the allocated budget and only exceed the target planned for if the budget is still available to accommodate other applicants	Report on students offered financial assistance/ support

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	100 food parcels supplied to distressed families identified	Supply of 200 food parcels to distressed families identified	100 food parcels Supply to distressed families identified	**KPI 55** Number of food parcels supplied to distressed families identified by June 2018 EM	Impact	200 food parcels supplied to distressed families identified by June 2018	R300 000 (31052690 640FLP69Z ZWD)	R123 900	None	Matlosana Tlokwe Maquassi Hills & JB Marks	RHR	None	None	**Achieved** 200 food parcels supplied to distressed families identified parcels. 50 food parcels supplied to distressed families identified and 50 food parcels supplied to 3 NGOs.	None	None	List of Beneficiaries

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	None	Host 1 Africa Day activity	1 Africa Day activity	**KPI 56** Number of Africa Day activity hosted by May 2018 EM	Outcome	1 Africa Day activity hosted by May 2018	R150 000 (31052280030FLP01ZZWD)	R23 820	Tourism	Matlosana	None	None	None	**Not Achieved** The budget was used to transport 198 youth to attend the Youth summit held in JJB Marks	The participants invited to Africa Day event requested monetary appreciation before the event and the allocated budget could not cover the event	Properly plan and budget for the event on the 2018/19 financial year	Detailed report on youth transported to attend youth submit

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FUNCTIONAL AREA	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTIONS	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES					ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE and/or LESSON LEARNT	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	Mayoral Golf Day hosted in September	1 Mayoral Golf Day	Nil	**KPI 57** Number of Mayoral Golf Day hosted by June 2018 EM	Outcome	1 Mayoral Golf Day hosted by June 2018	R0 (31052280 030FLP62Z ZWD)	R 0	Tourism	Matlosana, Maquassi Hills & JB Marks	None	None	None	**Not Achieved**	The event is not budgeted for	Properly plan for the event in 2018/19 financial year	Report on Mayoral Golf Day hosted

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	2 gender workshops held	Hold 4 Gender workshops	2 gender workshops	**KPI 58** Number of Gender activity programs held by June 2018 EM	Input	5 Gender activity programs held by June 2018	R300 000 (31052280 030FLP53Z ZWD)	R113 447	None	Matlosana , Maquassi Hills & JB Marks	None	None	None	**Achieved** 5 Gender activity program held	None	None	Report on Gender activity programs held

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	30 girls exposed to a working environment	20 boys and 20 girls exposed to a working environment	Nil	**KPI 59** Number of girls and Boys exposed to a working environment by May 2018 EM	Outcome	20 boys and 20 girls exposed to a working environment by May 2018	R250 000 (31052280 030FLP11Z ZWD)	R224 520	None	Matlosana , Maquassi hills & JB Marks	None	None	None	**Achieved** 20 boys and 20 girls exposed to a working environment	None	None	Report on boys and girls exposed to a working environment

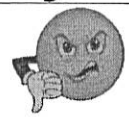
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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	New	Provide 2 assistive devices provided to identified disabled individuals	Nil	**KPI 60** Number of assistive devices provided by June 2018 EM	Impact	1 assistive device provided to identified disabled individual by June 2018	R300 000 (31052280 030FLP21Z ZWD)	R138 100	None	Township and Village	RHR	None	None	**Not Achieved** Transported Learner with Special Needs to participate in Soccer tournament held in Cape Town	Municipality consulted social development to identify disabled individuals that are in need of assertive device. Due to none response within the set time frame the budget was then used to assit LSEN kids	Assistive devices will be procured in the next quarter.	Detailed report on LSEN kids transported

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	District Older persons activity at the district and provincially supported	4 recreational Activities held for Elderly	Nil	**KPI 61** Number of recreational and developmental Activities held for Elderly by June 2018 EM	Outcome	1 recreational and developmental Activities held for Elderly by June 2018	R125 300 (31052280 030FLP37Z ZWD)	R125 282	None	Matlosana , Maquassi Hills & JB Marks	RHR	None	None	**Achieved** 1 recreational and developmental activity held for the elderly in Sept in line with Provincial Directive. We procured T-shirts & Caps.	None	None	Detailed report on recreational activities held for the elderly.

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	New	Conduct 3 RHR programs	Nil	**KPI 62** Number of RHR programs conducted by June 2018 EM	Impact	2 RHR programs conducted by June 2018	R182 000 (31052300 120FLP66Z ZWD)	R178 526	None	Matlosana , Maquassi Hills & JB Marks	RHR	None	None	**Achieved** 3 RHR Programs held	There was a need to hold the Albinism Awareness program within the district during the 4th quarter before the Albinism society went for National Event	Alignment of National Calendars to the provincial and district events	Report on RHR programs conducted

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	New	Youth centre supported	Nil	**KPI 63** Number of youth council established supported by June 2018 EM	Impact	3 youth council established supported by June 2018	R200 000 (31052280 030FLQ07 Z ZWD) (31052280 050FLQ07 ZZWD) (31052280 610FLQ07 ZZWD) (31052281 220FLQ07 ZZWD) (31052300 120FLQ07 ZZWD) (31052300 140FLQ07 ZZWD) (31052301 070FLQ07 ZZWD) (31052305	R 211 600	None	Matlosana, Maquassi Hills & JB Marks	RHR	None	None	**Not Achieved** 1 Matlosana youth council established supported	Maquassi Hills Youth still construction, thus support could not be provided. The request received from JB Marks was not approved due to both agreement parties not reaching an	Assist the centre in resuscitating the committee in the 2018/19 financial year Schedule a meeting in 1st quarter of 2018/19 to finalise the agreement to support request from JB Marks	Report on Youth centres supported

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			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	RHR	SETSOKOTSANE	SAAMTREK-SAAMWERK				
Executive Mayor	To promote socio-economic development	None	New	Youth centre supported	Nil	**KPI 70** Number of youth development programs supported by June 2018 EM	Impact	4 youth development programs supported by June 2018	R300 000 (31052280 030FLQ06 ZZWD) (31052280 050FLQ06 ZZWD) (31052280 610FLQ06 ZZWD) (31052281 220FLQ06 ZZWD) (31052300 120FLQ06 ZZWD) (31052305 730FLQ06 ZZWD) (31052301	R275 561	None	Matlosana, Maquassi Hills & JB Marks	None	None	None	**Achieved** 5 youth development program supported Back to school campaigns at JB Marks, Matlosana and Maquassi Hills ID Campaign Program, Held Youth Summit and assisted youth camp	Budget allocated to the program catered for the number of requests received	To ensure that targets are align to the budget	Report on youth development programs.

KPA 5	
Number of Targets Achieved	Number of Targets Not Achieved
	
26 out of 35	9 out of 35
The following departments contributed towards Good Governance and Public Participation KPA	
Disaster Risk Management	2 Targets
Finance	1 Target
Corporate Services	1 Target
District Economic Developement	2 Targets
Office of the Executive Mayor	14 Targets
Office of the Speaker	2 Targets
Office of the Municipal Manager	2 Target
Internal Audit	2 Targets
Strategic Planning	2Targets
Performance Management Systems	4 Targets
Communications	1 Targets
Minimum Information Security Standard	2 Targets

KPA 6: SPATIAL RATIONALE

DISATER RISK MANAGEMENT

NATIONAL LG PRIORITIES	BUILD A DEVLOPMENTAL STATE, IMPROVE PUBLIC SERVICE AND STRENGTHEN DEMOCRATIC INSTITUTION ENSURE SUSTAINABLE RESOURCE MANAGEMENT AND USE																
KPA 2	TO PROMOTE GOOD GOVERNANCE																
OUTCOME 9	OUTPUT 5: TO STRENGTHEN PARTICIPATORY GOVERNANCE																
Functional Area	STRATEGIC OBJECTIVE	MUNICIPAL POWERS & FUNCTION	BASELINE 2016/17			KEY PERFORMANCE INDICATOR	KPI TYPE	ANNUAL TARGET	BUDGET	ACTUAL EXPENDITURE	5 CONCRETES				ACTUAL PERFORMANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	POE
			Current status (Progress to date)	Demand (MFMA Circular 63)	Backlog (MFMA Circular 63)						ACT	VTSD	SETSOKOT	SAAMTRE				
Disaster Risk Management	To ensure disaster risk management	Disaster Risk Management	Phase 1 of Phase 3 for the District Dolomite Strategy conducted	Phase 2 of 3 phases for the District Dolomite Strategy	Conduct Phase 1 of Phase 3 for the District Dolomite Strategy	**KPI 66** Finalisation of SCM processed on Phase 2 of 3 phases for the District Dolomite Strategy by June 2018 DRM	Output	SCM Process finalised on Phase 2 of 3 phases for the District Dolomite Strategy by June 2018	OPEX	OPEX	None	Matlosana	None	None	**Achieved** SCM Process finalised on Phase 2 of 3 phases for the District Dolomite Strategy	None	None	Appointment letter

KPA 6	
Number of Targets Achieved	Number of Targets Not Achieved
 1 out of 1	 0 out of 1

Service Provider Assessment for the 2017/18 Financial Year

Comparison between the prior financial year (2016/17 and financial year under review (2017/18) performance

Political Offices: Office of the Speaker

OFFICE OF THE SPEAKER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Council Meeting	Bengwa Trading CC	OPEX R 6 420	31/01/2018	31/01/2018	Once off	None	None	None	None	4	None	Well done
Special Council Meeting	JuliThemba Trading	OPEX R 7 200	28/02/2018	28/02/2018	Once off	Late arrival Clear instruction be given before delivery of service	None	None	None	2	None	This company need to be encouraged as a new appointee
Council Meeting	Parazozo Trading	OPEX R7 200	29/03/2018	29/03/2018	Once off	None	None	None	None	4	None	Well done
Public Participation -Service Delivery Event (Maquassi-Hills LM) **CATERING**	Tsampo Trading	OPEX R10 000	18/04/2018	18/04/2018	Once Off	None	None	None	None	None	4	
Public Participation -Service Delivery Event JB Marks LM **CATERING**	Lumkani Pure Projects	OPEX OPEX R9875	20/04/2018	20/04/2018	Once off	None	None	None	None	None	4	Well done
Council Policy Workshop	Bonsoul CC R8340.00	OPEX R8340	18/05/2018	18/05/2018	Once off	None	None	None	None	None	4	Well done

Political Offices: MPAC

MPAC OFFICE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
District Forum	Rasemo Trading Enterprise	OPEX	08/12/2018	08/12/2018	Good Delivered and received	None	None	None	3	None	None	None
Oversight Process	Care Taker Construction and projects	OPEX	20/03/2018	20/03/2018	Good Delivered and received	None	None	None	None	3	None	None
Oversight Process	Enlightened peoples company (PTY) LTD	OPEX	22/03/2018	22/03/2018	Good Delivered and received	None	None	None	None	3	None	None
MPAC Meeting	Tradefast 5(PTY)LTD	OPEX	08/04/2018	08/04/2018	Good Delivered and received	None	None	None	None	None	3	None
MPAC Meeting	The key	OPEX	17/08/2018	17/04/2018	Good Delivered and received	None	None	None	None	None	3	None
MPAC Meeting	Quick Step trading 574 CC	OPEX	15/05/2018	15/05/2018	Good Delivered and received	None	None	None	None	None	3	None
Oversight Process	NTE Trading enterprises CC	OPEX	23/03/2018	23/03/2018	Goods received not as requested and reported to service provider and MM	Service provider outsourced to third party and did not ensure that the PA system is functional as requested. The municipality should purchase own PA	None	None	None	2	None	Service provider should not be used again while awaiting the purchase of a PA system

MPAC OFFICE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
						system						

Office of the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
CCTV	TSHIRELETSO	OPEX	Jun 2015	May 2018	Project ended	Fair to repair/ replace equipment	Fair	Average	4	4	None	Contract ended
SECURITY SERVICES	DIPHETOGO	OPEX	Sep 2017	Aug 2019	Ongoing project	None	N/A	Excellent	4	4	4	Performing to standard

BTO ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
MSCOA	DUCHAME	OPEX			Ongoing project	None	None	4	4	4	4	None
FINANCIAL SYSTEM Dr KKDM upgraded to SOLAR	BCX	OPEX			Ongoing project	None	2	2	2	3	3	None
LONG TERM INSURANCE	TOKKIE FEREIRA	OPEX	1/04/2014	MONTH TO MONTH	Ongoing project	None	4	4	4	4	4	None
ASSETS	ALTIMAX	OPEX	22/05/2015	21/05/2018	Contract ended	Consultants was not available during Audit process	1	1	1	None	None	Company needs to be penalized or contact to be terminated
PROVIDE ACTUARIAL SERVICES FOR EMPLOYEE BENEFITS	ARCH ACTURIAL CONSULTING SERVICES	OPEX	01/07/2007	30/09/2007	Information was needed for AFS	None	4	4	4	None	3	No work done during the 3th quarter
VAT RECOVERY	PK FINANCIAL CONSULTANTS	PERCENTAGE OF VAT RECOVERED	01/06/2015	30/05/2018	Contract ended	None	3	3	3	3	None	None

Transport, Roads and Technical Infrastructure Development

TRANSPORT, ROADS AND INFRASTRUCTURE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
RURAL ROADS ASSET MANAGEMENT SYSTEM (RRAMS)	AGANANG CONSULTING ENGINEERS	GRANT FUNDED	Aug 17	June 20	Work Scope commenced in August 2017. 2017/18 Business Plan activities are for JB Marks LM only	None	4	4	4	5	5	The project is a 3 year project (2017/18 – 2019/20). Assessment of paved road network and collection of road ancillary or furniture for JB Marks LMS only during the first year of the contract as per approved Business Plan.
WATER SUPPLY AT BOSKOP FARM	KHETHUTHULA HOLDINGS JV	OPEX	Aug 17	Nov 17	Works Scope commenced as scheduled and the project as at end of 1st Quarter was sitting at 40%.	Farmer refusing access to the existing borehole for equipping purposes, a new borehole	4	4	4	4	None	Additional Scope of Works added due to farmer refusing to allow equipping of existing borehole. Contractor performed very well in terms of

TRANSPORT, ROADS AND INFRASTRUCTURE ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
						was drilled costing additional expenses on the project						execution of the approved specifications including additional ones.
CONSTRUCTION OF STORM WATER AT DISASTER CENTRE	KHETHUTHULA HOLDINGS JV	OPEX	Aug 17	Nov 17	Works Scope commenced as scheduled and the project as at end of 1st Quarter was sitting at 45%.	No challenges experienced	Good	4	4	None	None	Contractor executed the approved specifications / work scope as planned within budget and time

Municipal Health and Environmental Services

MUNICIPAL HEALTH AND ENVIRONMENTAL SERVICES ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2016/17 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions		Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
DEVELOPMENT OF AN AIR QUALITY MANAGEMENT PLAN (AQMP)	GONDWANA	OPEX	18-Feb-14	08-Mar-16	AQMP has been finalised and approved by Council **Project Completed**	None	4	None	None	None	None	Project Steering Committee assisted in ensuring that timelines for the project are adhered to
DEVELOPMENT OF AN ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)	NEMAI	OWN REVENUE	18-Feb-14	08-Mar-16	- EMF has been finalised and approved by Council - Waiting for READ to fund the re-doing of EMF	EMF must be re-done to incorporate the amalgamation of Tlokwe and Ventersdorp. Funding requested from READ.	4	None	None	None	None	Project Steering Committee assisted in ensuring that timelines for the project are adhered to **Project will resume after funding approval by READ.**
DEVELOPMENT OF DISTRICT INTEGRATED WASTE MANAGEMENT PLAN	UKAMVA	MUNICIPAL INFRASTRUCTURE SUPPORT AGENCY (MISA)	01-Jul-17	30-Jun-18	Service Provider presented draft IWMP with comments incorporated. Draft IWMP will be presented to Community Services Portfolio Committee on the 12th June 2018.	Incorporation of final comments into the draft before Council adoption and approval by MEC	-	4	4	4	4	Project Steering Committee assist in ensuring that timelines for the project are adhered to
RENTAL OF OFFICES	STE HIRE CC T/A SHOWTIME	OWN REVENUE	01 September 2017	31 February 2018	Contract extended for six months (Sep 17-Feb 18)	None	4	4	4	None	None	MHS Management assist with ensuring lease conditions are

MUNICIPAL HEALTH AND ENVIRONMENTAL SERVICES ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2016/17 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions		Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
					Contract ended on 28 Feb 2018							adhered to

Information Technology

INFORMATION TECHNOLOGY ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
DISTRICT WI-FI	GALELA	OPEX	Sep-15	Sep-17	IN PROGRESS	None	4	4	4	4	4	Wi-Fi Project has achieved a target of more than 89 sites Implemented

INFORMATION TECHNOLOGY ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
VENUS /SOLAR AND PAYDAY	BUSINESS CONNEXION	OPEX	Sep-11	MONTH-TO-MONTH	IN PROGRESS	User access is limited. Need to increase technical assistance and support to respond to ad-hoc requests.	4	4	4	4	4	The municipality upgraded from Venus to Solar
EMAIL AND WEBSITE HOSTING	SEBATA	OPEX	Jul-13	MONTH-TO-MONTH	CONTTRACT ENDING	Publishing of information is still a problem. To request information from line functions going forward.	1	1	1	1	1	Opt for another service provider in 2018/19 financial year
TELEPHONE SERVICES	NORTHWEST TELECOMS	OPEX	01-Feb-14	MONTH-TO-MONTH	IN PROGRESS	1. We are charged the same amount almost every month.2. Down Time more than once every month. 3. The system doesn't display reports	1	1	1	2	2	Opt for another service provider in 2018/19 financial year

INFORMATION TECHNOLOGY ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
INTERNET SERVICES	ATLANTIC INTERNET SERVICES	OPEX	Jul-11	MONTH-TO-MONTH	CONTACT ENDED	We have been using 4092kbps Business Uncapped since 2011	1	1	1	None	None	User based has increased since 2011, which result in poor internet connectivity. The services will be moved to Telkom in during this quarter. This will improve the services.
IINTERNET AND VPN SERVICES	TELKOM	OPEX	April 2017	2019	ON GOING	The internet speed is slow and this matter has not been addressed by the service provider	None	None		2	2	None

Municipal Health and Environmental Services

MUNICIPAL HEALTH AND ENVIRONMENTAL SERVICES ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions		Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
DEVELOPMENT OF AN AIR QUALITY MANAGEMENT PLAN (AQMP)	GONDWANA	OPEX	18-Feb-14	08-Mar-16	AQMP has been finalised and approved by Council **Project Completed**	None	4	None	None			Project Steering Committee assisted in ensuring that timelines for the project are adhered to
DEVELOPMENT OF AN ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)	NEMAI	OPEX	18-Feb-14	08-Mar-16	EMF has been finalised and approved by Council	EMF must be re-done to incorporate the amalgamation of Tlokwe and Ventersdorp. Funding requested from READ.	4	None	None			Project Steering Committee assisted in ensuring that timelines for the project are adhered to **Project will resume after funding approval by READ.**
DEVELOPMENT OF DISTRICT INTEGRATED WASTE MANAGEMENT PLAN	UKAMVA	MUNICIPAL INFRASTRUCTURE SUPPORT AGENCY (MISA)	01-Jul-17	31-Mar-18	Service Provider presented draft IWMP with Waste Characterization, for comments	None	None	4	4			Project Steering Committee assist in ensuring that timelines for the project are adhered to
RENTAL OF OFFICES	STE HIRE CC T/A SHOWTIME	OPEX	01 September 2017	31 February 2018	Contract extended for six months (Sep 17-Feb 18)	None	4	4	4			MHS Management assist with ensuring lease conditions are

MUNICIPAL HEALTH AND ENVIRONMENTAL SERVICES ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions		Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
												adhered to

District Economic Development

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
MACEF: TOURISM	THE BLACK BIRD MULTIMEDIA	OPEX	01 August 2017	09 September 2017 29 December 2017	Once off. Completed	None	4	4	4	None	None	Work well done
HIGH VELD TRANSPORTATION OF LEARNERS: TOURISM	DILAGA TRADING AND AF MANDLA	OPEX	15 August 2017	29 September 2017	Once off Completed	None	4	4	None	None	None	Work well done
FINANCIAL ASSISTANCE (SAFCF)	SOUTH AFRICAN CRICKET FEDERATION	OPEX	04 October 2017	22 November 2017	Once off	None	4	4	None	None	None	Work well done

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
CATERING FOR DAPPOT MEETING	TLHOTLHOMISO TRADING ENTERPRISE	OPEX	20 September 2017	22 September 2017	Once off Completed	None	4	4	None			Work well done but can improve
CONDITIONAL GRANTS :BAKERY EQUIPMENT (LINK INTERNATIONAL)	TIGANE TRADING PTY	OPEX	August 2017	14 September 2017	Once off completed	None	4	4	None			Work well done but can improve
CONDITIONAL GRANTS :BAKERY EQUIPMENT; THABZLET)	MWPPE SUPPLIES PTY LTD	OPEX	August 2017	05 October 2017	Once of and completed	None	4	4	4			Work well done but can improve
SUPPLY AND DELIVERY OF AGRICULTURAL PROJECT FENCING EQUIPMENT			October 2017	05 December 2017	Completed	None						
CONDITIONAL GRANTS : INSTALLATION OF 3 PHASE ELECTRICITY	ESKOM HOLDINGS SOC LIMITED	OPEX	October 2017	15 November 2017	Once off and completed	None	4	4	None			Well done

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
TRANSPORTATION OF COOPERATIVES TO POTCHEFSTROOM	LJ LESENYEHO TRADING ENTERPRISE,TLOTLOMATSO CONSTRUCTION AND PROJECTS,PHEDO PJ TRADING AND PROJECTS,MOTLHAOLWA MT	OPEX	August 2017	12 August 2017	Once off	None	N/A	4	N/A			Work well done
TRANSPORTATION OF COOPERATIVES FROM LOCAL MUNICIPALITIES TO BLOEMFONTEIN	THABANG NEW BUSINESS TECHNOLOGY PTY LTD	OPEX	August 2017	14 September 2017	Once off	None	4	4	N/A			Work well done
ACCOMMODATION OF COOPERATIVES IN BLOEMFONTEIN DURING ICD	EAGLE CREEK INVESTMENTS 278 PTY LTD	OPEX	August 2017	14 September 2017	Once off	None	None	4	4			Work well done

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
FINANCIAL ASSISTANCE (LEBALENG BURSARY FUND)			20 November 2017	01 December 2017	Once off completed	None						Work well done but can improve
ACCOMMODATION OF OFFICIALS IN BLOEMFONTEIN DURING ICD	HARVEY WORLD TRAVEL	OPEX	August 2017	14 September 2017	Once off	None	4	4	None			Work well done
GALA DINNER OF SATTB: FINANCIAL ASSISTANCE	NGWENYA HOTEL	OPEX	June 2017	02-08 July 2017	Once off	None	5	5	None			Work well done
LAUNCHING OF NW CRICKET NEW LOGO: FINANCIAL ASSISTANCE	NORTH WEST CRICKET	OPEX	July 2017	01 August 2017	Once off	None	5	5	None			Work well done
FINANCIAL ASSISTANCE	GLAD INNOVATIONS PTY LTD	OPEX	August 2017	14 September 2017	Once off	None	4	4	4			Work well done but can be improved

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
SUPPLY AND DELIVERY OF GARDENING EQUIPMENT		OPEX	October 2017	04 December 2017	Completed	None						Work well done
ACCOMMODATION FOR PLAYERS AT SAMSRA GAMES	HARVEY WORLD TRAVEL BRONKHORSTSPRUIT	OPEX	August 2017	24 September 2017	Once off	None	4	4	None			Work well done
TRANSPORT FOR PLAYERS AT SAMSRA GAMES	VAAL MASERU BUS SERVICES PTY LTD	OPEX	August 2017	24 September 2017	Once off	None	4	4	None			Work well done
AFFILIATION AND REGISTRATION FOR SAMSRA NATIONAL GAME	SAMSRA	OPEX	August 2017	24 September 2017	Once off	None	4	4	None			Work well done

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
FINANCIAL ASSISTANCE	PHYSICAL IQ SPORTS ACADEMY	OPEX	01 October 2017	16 October 2017	Once off	None	4	N/A	4			Well done
REGISTRATION FOR SPORTS AND RECREATION POLICY WORKSHOP	TARANISCO ADVISORY CC	OPEX	October 2017	14 November 2017	Once off	None	4	4	None			Well done
FINANCIAL ASSISTANCE	KBTWOMEE TRADING ENTERPRISE PTY LTD	OPEX	August 2017	14 September 2017	Once off	None.	4	4	None			Well done
CONDITIONAL GRANTS: TOURISM	KAMOTSUMI INTERNET CAFE	OPEX	20 July 2017	28 November 2017	Once off Completed	None	None	None	4			Work well done
FINANCIAL ASSISTANCE (SA INDOOR CRICKET	SOUTH AFRICAN INDOOR CRICKET FEDERATION	OPEX	01 October 2017	16 October 2017	Once off	None	None	None	4			Work well done

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
CONDITIONAL GRANTS Purchase of car wash equipment	OCTOLIBRA TRADING ENTERPRISE (PTY)LTD	OWN REVENUE	September 2017	01 December 2017	Completed	None	None	None	4			Work well done but can improve
CONDITIONAL GRANTS : Purchasing and delivery of agricultural projects materials	KHETHUTHULA HOLDINGS	OWN REVENUE	October 2017	10 December 2017	Completed	None	None	None	4			Well done
CONSTRUCTION OF STORM WATER AT DISASTER MANAGEMENT CENTRE	KHETHUTHULA HOLDINGS	OWN REVENUE	June 2017	24 October 2017	Completed	None	None	None	4			Work well done but can be improved
Supply and delivery of gardening equipment	GLADINNOVATIONS (PTY) LTD	OWN REVENUE	October 2017	04 December 2017	Completed	None	None	None	4			Work well done

DISTRICT ECONOMIC DEVELOPMENT ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS 2017/18 FINANCIAL YEAR												
Project name	Name of Service provider	Source of funding	start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent					Assessment comments
							2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
SUPPLY AND DELIVERY OF RESTAURANT MATERIAL/EQUIPMENT	MOCHELO TRADING ENTERPRISE	Own revenue	October 2017	04 December 2017	Completed	None	None	None	4			Work well done
SUPPLY AND DELIVERY OF ANIMAL (PIG) FEED	BAWEDI (PTY) LTD	OWN REVENUE	October 2017	06 December 2017	Completed	None	None	None	4			Work well done
SUPPLY AND DELIVERY OF WINDSCREEN REPAIR MATERIAL	MTSHEPANA TRADING AND PROJECTS	OWN REVENUE	October 2017	12 December 2017	Completed	None	None	None	4			Work well done

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

INTRODUCTION

Corporate Service strategic intent is to provide outstanding administrative support services to the entire municipality by ensuring effective records management, efficient committee management in all council meetings excellent human resource function and overall good governance. There are 3 units within the department, Administration, Legal and Human Resources.

TOTAL NUMBER OF EMPLOYEES, STAFF TURN- OVER AND VACANCIES

Human Resources Unit is a division that falls under the Corporate Services Department. It plays a critical role in the Organisation in respect of talent attraction, terminations, declaration of employees to UIF, leave administration, Employment Equity, HR Resources information management system, employee benefits, Long service recognition and HR policy development. It largely reinforces the white paper in HRM which requires Human resources in Public Sector (including Local Government) to be managed, utilized and maintained efficiently and effectively. This approach would allow Dr. Kenneth Kaunda District Municipality to manage within nationally defined parameters its own employees

A breakdown of the posts in the organization is reflected in the table below:

Total Number of Employees

Department	Total Number	M	F
Executive Mayor Office	13	6	7
Speaker Office	8	3	5
Single Whip Office	6	3	3
MPAC Office	2	0	2
Municipal Manager Office	15	8	7
Corporate Service	23	5	18
Budget and Treasure Office	14	4	10
Technical Services	6	4	2
Environmental Health	39	13	26
District Economic Development	8	4	4

Department	Total Number	M	F
Disaster & Risk Management	9	5	4
Grand Total	**143**	**66**	**77**

POLICIES PLANS AND STRATEGY

Policy is important in managing organisations. It provides direction and boundaries for the organisation's approaches. It also clarifies and clears actions of both employees and management.

HR Organisational policies are implemented daily in the Organisation and they are guided by the SALGBC Agreements and various pieces of legislations applicable to Local Government Sector.

This is done efficiently because legislative compliance is the pillar of good governance.

The following HR Policies and Plans completed, reviewed and date adopted by council or workshop held during 2017/2018financial year:

NO	NAME OF POLICY	HR POLICIES AND PLANS COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL OR COMMENTS ON FAILURE TO ADOPT
1	Delegations Authorisation & Responsibility	09/09/2017	Annually	Awaiting
2	Code of Conduct for Employees	ITEM A/525/07/2018	Annually	23/08/2018
3	Disciplinary Code and Procedure	ITEM A/525/2018	Annually	23/07/2018
4	Employee Assistance/ Wellness	ITEM A/525/2018	Annually	23/07/2018
5	HIV/ AIDS Policy	ITEM A/525/2018	Bi-Annually	23/07/2018
6	Human Resource and Development	ITEM A/525/2018	Annually	23/07/2018
7	User Account Management Policy	ITEM A.313/11/2018	Annually	29/11/2018
8	Workstation Security Policy	ITEM A.313/11/2018	Annually	29/11/2018
9	Software Installation Services Policy	ITEM A.313/11/2018	Annually	29/11/2018
10	Back-Up Management Policy	ITEM A.313/11/2018	Annually	29/11/2018
11	Corporate Governance of Information and Communication Technology Policy	ITEM A.313/11/2018	Annually	29/11/2018
12	Draft E-mail use Policy	ITEM A.313/11/2018	Annually	29/11/2018
13	Servers Security Policy	ITEM A.313/11/2018	Annually	29/11/2018
14	Remote Access Policy	ITEM A.313/11/2018	Annually	29/11/2018
15	Internet Policy	ITEM A.313/11/2018	Annually	29/11/2018
16	Password Protection Policy	ITEM A.313/11/2018	Annually	29/11/2018
17	Information Technology (IT) Support Services Policy	ITEM A.313/11/2018	Annually	29/11/2018
18	Information Security Policy	ITEM A.313/11/2018	Annually	29/11/2018
19	Danger Allowance Policy	ITEM A.313/11/2018	Annually	29/11/2018
20	Subsistence Accommodation and	ITEM A.313/11/2018	Annually	29/11/2018

NO	NAME OF POLICY	HR POLICIES AND PLANS COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL OR COMMENTS ON FAILURE TO ADOPT
	Traveling Allowance Policy			
21	Job Evaluation	ITEM A.525/07/2018	Annually	23/07/2018
22	Incapacity Due To Ill Health/ Injury Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
23	Occupational Health and Safety Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
24	Incident and Accident Reporting Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
25	Overtime Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
26	Staff Cellphone Allowance Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
27	Transport Allowance Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
28	Recruitment, Selection, Appointment and Selection of Officials In The Political Office Of the DRKKDM	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
29	Policy Attendance and Absenteeism Procedure	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
30	Youth Development Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
31	Community Financial Aid Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
32	Training and Development Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
33	Learnership Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
34	Leave Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
35	Sexual Harassment Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
36	Experiential Training Policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
37	Relocation policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)

NO	NAME OF POLICY	HR POLICIES AND PLANS COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL OR COMMENTS ON FAILURE TO ADOPT
38	Smoking policy	ITEM A.525/08/2017	Annually	Workshopped (22-23/08/2017)
39	Performance Management Policy	ITEM A. 286/06/2017	Annually	27/07/2017
40	SCM Policy	ITEM A. 323/07/2017	Annually	27/07/2017
41	Internal and External Communication Policy	ITEM A.286/06/2017	Annually	29/06/2017
42	Records Management Policy	Workshopped (26/06/2017)	ITEM A. 289/06/2017	Annually
43	Records: Correspondence Policy	Workshopped (26/06/2017)	ITEM A. 289/06/2017	Annually
44	Records Procedure Manual	Workshopped 26/06/2017)	ITEM A. 289/06/2017	Annually

INJURIES, SICKNESS AND SUSPENSIONS

OCCUPATIONAL HEALTH AND SAFETY

In terms of Section 8 of the Occupational Health and Safety Act, 85 of 1993 (OHS Act) the employer has a responsibility to provide and maintain, as far as reasonably practicable, a working environment that is safe and without risk to the health of employees. Regular inspections, assessments, surveys and audits must also be conducted on buildings and equipment to ensure the environment stays healthy, safe and without risk for all employees within the Municipality as well as to ensure legal compliance with the Occupational Health and Safety Act.

OHS INSPECTIONS

Monthly Occupational Health and Safety inspections were conducted at all the offices within the District. Fire and first aid equipment was inspected, re-filled, serviced and replaced if necessary. Monthly inspection registers were completed to ensure legal compliance was maintained

INJURIES ON DUTY

Nine injuries on duty occurred from July 2017 until June 2018. WCA documentation and annexure one forms were completed with all the injuries.

The seriously injured employees were taken to an Occupational Medical Practitioner / ER consulting rooms for further medical treatment. All the necessary WCA documentation was completed and submitted. Submission of documentation to the Department of Labour improved a great deal and all cases are registered promptly. Monthly status on all cases has been discussed at Department of Labour to ensure both sides stay up to date.

Employees were taken for all their necessary visits and sessions until they were deemed fit for work. Some cases are still ongoing and progress is being made. One case of an employee that suffers from a skin illness is still in the progress. He visits the dermatologist on quarterly basis and receives medicine on a monthly basis.

SIGN SURVEY

All the buildings within the District have all the necessary safety symbolic signs in place as required by the OHS Act. A sign survey was conducted in February 2018 in order to evaluate the condition of all signs and they deemed to in good order.

FIRE AND FIRST AID EQUIPMENT

Fire and First aid equipment was inspected, refilled, services and replaced where necessary by OHS Officer. Monthly inspection registers on this equipment were completed to ensure legal compliance was maintained. In June 2018 new first aid box and fire equipment were installed at EHS office in JB Marks Local Municipality building. A fire drill exercise was done at Disaster Centre in August 2017.

PERSONAL PROTECTIVE EQUIPMENT (PPE)

New protective clothing and equipment was procured in November 2017 for General Worker staff. New protective clothing and equipment was procured in February 2018 for Pest Control Staff.

Staff was issued with the equipment and equipment was inspected on a three monthly basis to ensure it remains in a serviceable condition. Those that needed replacement were replaced with new ones.

OHS MANAGEMENT

The district assisted Local Municipalities in the implementation of the OHS Management system that was procured for them by the District. Quarterly inspections were conducted to check the progress. Two OHS policies- OHS and Incident and Accident reporting were workshopped to Council Members.

New chairperson of the OHS Committee was appointed. New OHS representatives are in the progress of being nominated, elected and trained. Emergency evacuation procedure was drafted and sent out to all affected parties for comments. Weekly safety communications were sent to employees via email.

A comprehensive OHS inspection report of the status of the district buildings and offices were compiled and submitted. In April 2018 a comprehensive OHS inspection report was compiled and submitted for the new office for the EHS in JB Marks Local Municipality building.

Monthly inspections were done on all buildings/offices, fire equipment and first aid equipment within the municipality to improve legal compliance and identity hazard and risks.

Personal protective equipment inspections was conducted and recorded.

Ladders within the Municipality were inspected and the findings were recorded in the inspection registers. Defective ladders were removed from service.

Medical examinations / Doctor visits- Five Pest control staff was sent in March 2018. Other employees that did not suffer an injury on duty, but had other issues were also taken care of and was sent for the necessary medical treatment.

Some OHS Appointment letters were revised and given out again. Letters were also signed off by both parties.

Injuries on duty dealt and progress reported during the year under review (2017-2018):

NAME OF EMPLOYEE	CLAIM NO.	DATE OF ACCIDENT
RANKOMILE ISAAC MAINE	**1166850**	6 SEPTEMBER 2017
MAPULE MARTHA MOSUPA	**1163856**	8 SEPTEMBER 2017
JOHANNAH FIKILE MOTHIBEDI	**1232879**	8 SEPTEMBER 2017
LEBOGANG MOKOENA KALOLO	**1167799**	1 SEPTEMBER 2017.
MARIA DIMAKATSO MOREMI	**1216373**	17 NOVEMBER 2017
TLHANODI PHILLIP JACOB MOSIANE	**150613**	8 DECEMBER 2017
THABO LESLEY MOLOI	**1234474**	19 JANUARY 2018
MAGUGUDI KUTWANE-PHETO	**1269552**	20 MARCH 2018
LEBOGANG MOKOENA KALOLO	**1340792**	3 APRIL 2018

Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days
Municipal Manager and Directors	0	0%	0	3	0
Managers	102	9%	8	20	0.20
Coordinators and Senior Officers	176	18%	12	45	0.20
Officers and clerks	425	11%	44	40	0.10
Secretaries and/or PAs	7	0%	2	8	1.14
Pest Controllers, Fire Fighters, Drivers and cleaners	128	3%	15	20	0.16
Interns	13	8%	4	7	0.54
Total	**851**	**49%**	**85**	**143**	2.34

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
The municipality had no suspensions during the financial year under review.				

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
The municipality had no financial misconduct cases that were dealt with during the financial year under review.			

PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2017/18 R' 000	Proportion of beneficiaries within group %
There were no Performance rewards during the financial year under review.					

COMPONENT B: CAPACITATING THE MUNICIPAL WORKFORCE

SKILLS DEVELOPMENT AND TRAINING

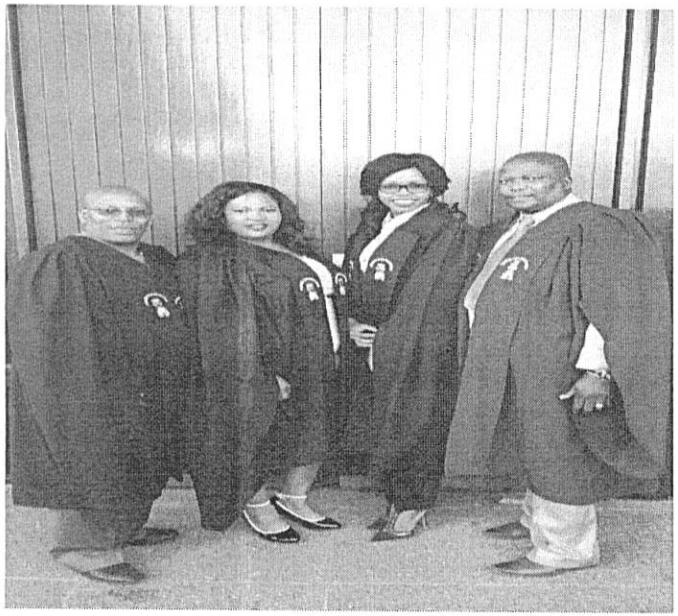
Training Expenditure for 1 May 2017 - 30 June 2018

Funding Source	Planned Training Budget - Employed	Planned Training Budget - Unemployed	Actual Expenditure - Employed	Actual Expenditure - Unemployed	Committed Expenditure - Employed	Committed Expenditure - Unemployed
Mandatory Grant Funds	150000	0	150000	0	0	0
Outstanding Mandatory Grant funds from previous year	100000	0	0	0	100 000	0
Discretionary Grants funds	3 000 000	5 000 000	0	0	360 000.00	0
Additional funding (Municipality/entity, donor funds, other government funds etc)	800 000	3 000 000	500 000	2 000 000	300 000	1 000 000
Totals	R 3 750 000	R 8 000 000	R 2 000 000	R 2 000 000	R 760 000	R 1 000 000

Total Actual Training Beneficiaries from 1 May 2017 - 30 June 2018

LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Good Governance and Instititional development	Good Governance and the linking of democracy	GOOD GOVERNANCE	5	4	9	10	15	25
Traditional Leadership and Development	Municipal Transformation and Institutional Development	MUNICIPAL TRANSFORMATION	12	5	17	13	11	24
Financial Management	Municipal Financial Viability and Management	FINANCIAL VIABILITY AND MANAGEMENT	13	8	21	15	13	28
Infrastructure Development Basic	Basic Service Delivery and Infrastructure	INFRASSTRACTURE DEVELOPMENT AND MUNCIPAL HEALTH SERVICES	6	5	11	19	16	35

LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Services	Development							
Municipal Planning	Sustainable Local Economic Development	SUSTAINABLE DISTRICT ECONOMIC DEVELOPMENT	5	3	8	4	3	7
Totals			**41**	**25**	**66**	**61**	**58**	**119**



CPMD GRADUATES

Human Resources Manager – Mr Frank Malongoa

MFMA Intern – Ms. Tebogo Sepele

MFMA Intern – Ms. Keitumetse Mothibi

Director Technical Roads and Infrastructure services - Mr. Tebogo Chanda

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	3	3	0%	1	0
Temporary total disablement	0	0	0%	0	
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	
Total	**3**	**3**	**100%**	**1**	**0**

There were employees involved in vehicle accident for the financial year of which 6 were treated and consultation was done.

LLF Committee comprise of the following

Employee	Status	Number of meeting
1	MMC Corporate Services	3
2	Councilor	3
3	Director: Corporate Service	3
4	Manager: HR	3
5	IMATU	3
6	SAMWU	3
7	Scriber	3

LABOUR ISSUES

The Labour related issues in the Municipality have been shared between the Human Resource department and Legal Services, a Labour Relations Officer has not been appointed. Furthermore the Municipality has established a Disciplinary Board in accordance with the Municipal Finance Management Act, which committee will investigate and advise Council on matters of financial misconduct. The Municipality has further instituted Disciplinary process against certain Officials and the process is still pending.

EMPLOYEE WELLNESS

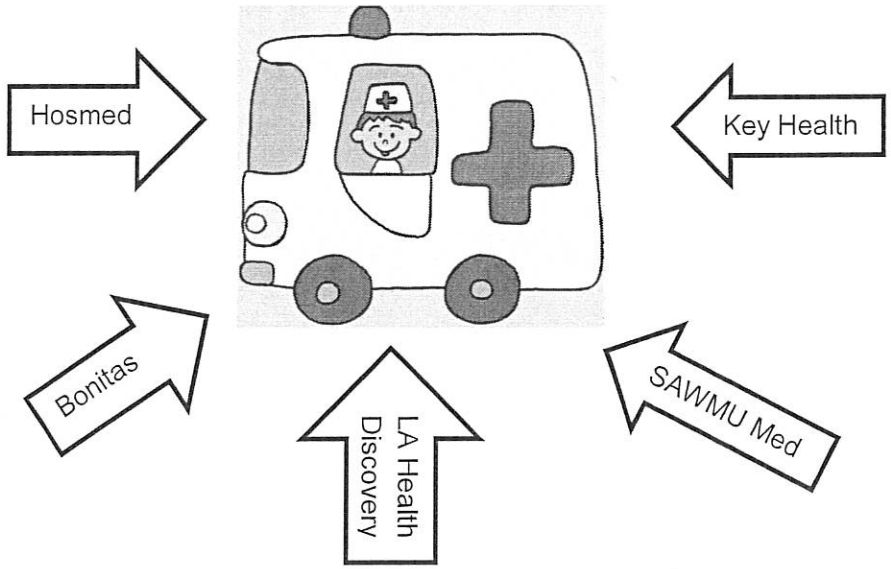
The intent of the EAP is therefore to ensure the wellbeing of the employee and appropriate job performance, not the termination of employment.

Employee Wellness Policy was adopted by Council in 2015 and has been reviewed annually in line with the employment Equity Act.

Employee Wellness Committee consists of the following:

Employee	Status	Number of Meeting attended
1	Gender Coordinator	4
2	HRM	4
3	EMP	4
4	Committee Officer	4
5	Senior Internal Audit	4
6	HRO	4
7	Secretary Speaker	4
8	DRM Officer	4
9	Finance	4

ACCREDITED MEDICAL AID SCHEMES



ACCREDITED PENSION FUNDS

- National Fund for Municipal Workers
- Municipal Gratuity Fund
- Municipal Employees Pension Fund
- Municipal Councillors Pension Fund
- SAMWU Provident Fund

Registered Organised Labour

- IMATU
- SAWMU

Skills Development

The Skills Development Act and Skills Development Levies Act were a direct result of the need to define certain areas in the Employment Equity Act more specifically. The objectives are, amongst others, to develop a culture of high quality life-long learning.

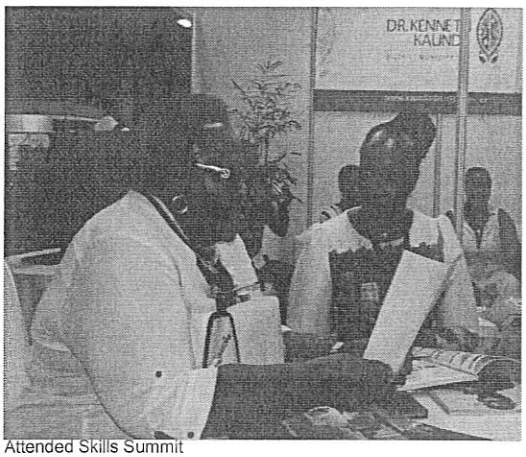
Special grants are made available to encourage institutions to participate in and benefit from this process. The levy grant scheme, imposed by the Skills Development Act and the Skills Development Levy Act, aims to expand the knowledge and competencies of the labour force.

On-the-job (workplace based) training as well as training from external providers are recognised as training courses for the purposes of the workplace skills plan. Many participating organizations regard the money that they do recoup for SDL as their annual training budget.

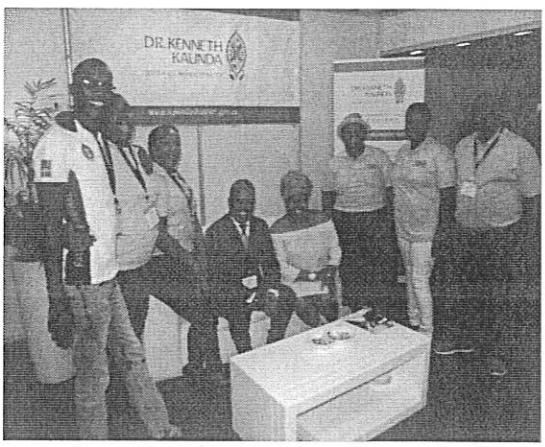
In compliance with the Skills Development Levies Act No.9 of 1999, employers who are registered PAYE contributors or whose remuneration for employees exceeds R500 000 per annum should contribute 1% of total payroll towards the Skills Development Levy. DRKKDM submitted the Workplace Skills Plan to LGSETA on the **30th April annually** as per the Act Amendment.

The key driving force of Skills Development in a workplace is to improve the effectiveness and efficiency of employees. It represents an explicit commitment to encourage the link of skills development to career paths, career development and promoting sustainable employment and in-work progression.

Staff Development is looking into developing the employees' and to improve the organisations performance which is done on annual basis



Attended Skills Summit



Total Actual Workplace Training systems beneficiaries as at 30 June 2018

Total Actual Workplace Training systems beneficiaries

Type	Female Beneficiaries	Male Beneficiaries	Total	Total number of training interventions	Total number of training interventions funded by LGSETA
Skills Development Facilitator	2	0	2	1	1
Local Labour Forum	3	1	4	1	0
Training Committee	0	0	0	0	0
Totals	**5**	**1**	**6**	**2**	**1**

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE as at 30 June 2018 – EMPLOYED

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - EMPLOYED																					
Occupation Category	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non SA
LEGISLATORS	2017-111101-1	Member of Mayoral Committee	3	0	0	0	3	0	0	0	6	0	0	0	0	0	0	3	3	6	0
LEGISLATORS	2017-111102-3	Chief Whip	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
LEGISLATORS	2017-111101-8	Councillor	0	0	0	0	2	0	0	1	3	0	0	0	0	0	1	2	0	3	0
LEGISLATORS Totals			**4**	**0**	**0**	**0**	**5**	**0**	**0**	**1**	**10**	**0**	**0**	**0**	**0**	**0**	**1**	**6**	**3**	**10**	**0**
MANAGERS	2017-121901-3	Administrative Services Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-121101-8	Chief Financial Officer (CFO)	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	1	0
MANAGERS	2017-121104	Internal Audit Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-121901	Corporate General Manager	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-133101-3	ICT / IT Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS	2017-134402	Community Development Manager	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
MANAGERS Totals			**3**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**1**	**5**	**0**	**6**	**0**
PROFESSIONALS	2017-226301	Environmental Health Officer	4	0	0	0	1	0	0	0	5	0	0	0	0	0	3	2	0	5	0
PROFESSIONALS	2017-226302-3	Occupational Safety and Health (OSH) Advisor / Coordinator / Officer /	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - EMPLOYED																					
Occupation Category	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non SA
		Professional																			
PROFESSIONALS	2017-242203	Company Secretary	2	0	0	0	0	0	0	0	2	0	0	0	0	0	0	2	0	2	0
PROFESSIONALS	2017-242303-10	Hr Officer	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS	2017-243204-9	Event Coordinator	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
PROFESSIONALS Totals			**8**	**0**	**0**	**0**	**1**	**0**	**0**	**1**	**10**	**0**	**0**	**0**	**0**	**0**	**3**	**7**	**0**	**10**	**0**
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-331201-1	Credit Controller	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-332302-2	Procurement Administrator / Coordinator / Officer	0	1	0	0	1	0	0	0	2	0	0	0	0	0	0	2	0	2	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-334102	Office Administrator	4	1	0	1	0	0	0	0	6	0	0	0	0	0	0	6	0	6	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-334302-2	Administrative Secretary	3	0	0	0	1	0	0	0	4	0	0	0	0	0	1	3	0	4	0

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - EMPLOYED																					
Occupation Category	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non SA
TECHNICIANS AND ASSOCIATE PROFESSIONALS Totals			**7**	**2**	**0**	**1**	**3**	**0**	**0**	**0**	**13**	**0**	**0**	**0**	**0**	**0**	**1**	**12**	**0**	**13**	**0**
CLERICAL SUPPORT WORKERS	2017-411101-9	Administration Clerk / Officer	3	0	0	0	1	0	0	0	4	0	0	0	0	0	0	4	0	4	0
CLERICAL SUPPORT WORKERS	2017-422501-2	Corporate / Front Office Receptionist	1	0	0	0	0	0	0	0	1	1	0	0	0	1	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-431101-2	Creditors Clerk	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-431101-5	Assets Clerk / Coordinator	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-431101-7	Account Coordinator / Controller	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-431301	Payroll Clerk	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-432101-15	Supply Clerk / Assistant / Officer / Scheduler	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-432301-3	Transport Coordinator / Dispatcher	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-441101-18	Records Coordinator / Officer	1	0	0	1	0	0	0	0	2	0	0	0	0	0	0	2	0	2	0

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - EMPLOYED																						
Occupation Category	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non SA
CLERICAL SUPPORT WORKERS	2017-441601	Human Resources Clerk	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0
CLERICAL SUPPORT WORKERS	2017-441903-1	Administration Officer	5	0	0	1	0	0	0	0	6	0	0	0	0	0	0	6	0	6	0
CLERICAL SUPPORT WORKERS Totals			**14**	**0**	**0**	**2**	**3**	**0**	**0**	**1**	**20**	**1**	**0**	**0**	**0**	**1**	**0**	**20**	**0**	**20**	**0**
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	2017-684401	Pest or Weed Controller	0	0	0	0	3	0	0	0	3	0	0	0	0	0	2	1	0	3	0
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS Totals			**0**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**2**	**1**	**0**	**3**	**0**
ELEMENTARY OCCUPATIONS	2017-811201-4	Office Cleaner	4	0	0	0	0	0	0	0	4	0	0	0	0	0	0	4	0	4	0
ELEMENTARY OCCUPATIONS Totals			**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**0**	**4**	**0**
Totals			**40**	**2**	**0**	**3**	**18**	**0**	**0**	**3**	**66**	**1**	**0**	**0**	**0**	**1**	**8**	**55**	**3**	**66**	**0**

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE as at 30 June 2018 - Unemployed

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - Unemployed																					
Occupation Category	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non SA
PROFESSIONALS	2017-252301-4	Computer Network Engineer	2	0	0	0	6	0	0	0	8	0	0	0	0	0	8	0	0	8	0
PROFESSIONALS	2017-234201-3	Early Childcare Teacher	7	0	0	0	2	0	0	0	9	0	0	0	0	0	9	0	0	9	0
PROFESSIONALS	2017-222104-2	Clinic Nurse	8	0	0	0	4	0	0	0	12	0	0	0	0	0	12	0	0	12	0
PROFESSIONALS	2017-213104-1	Biological Chemist	4	0	0	0	2	0	0	0	6	0	0	0	0	0	6	0	0	6	0
PROFESSIONALS	2017-215101-3	Electrical Design Engineer	8	0	0	0	10	0	0	0	18	0	0	0	0	0	18	0	0	18	0
PROFESSIONALS	2017-241107	Financial Accountant	8	0	0	0	7	0	0	0	15	0	0	0	0	0	15	0	0	15	0
PROFESSIONALS	2017-243105	Business Development Officer	4	0	0	0	6	0	0	0	10	0	0	0	0	0	10	0	0	10	0
PROFESSIONALS	2017-235101-14	Education Officer	9	0	0	0	7	0	0	0	16	0	0	0	0	0	16	0	0	16	0
PROFESSIONALS Totals			**50**	**0**	**0**	**0**	**44**	**0**	**0**	**0**	**94**	**0**	**0**	**0**	**0**	**0**	**94**	**0**	**0**	**94**	**0**
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-311201	Civil Engineering Technician	3	0	0	0	6	0	0	0	9	0	0	0	0	0	9	0	0	9	0

NUMBER OF TRAINING BENEFICIARIES BY OCCUPATION CATEGORY, GENDER, POPULATION GROUP, DISABILITY AND AGE - Unemployed																					
Occupation Category	Ofo Code	Occupation	FA	FC	FI	FW	MA	MC	MI	MW	Total	DA	DC	DI	DW	Total	< 35	35 - 55	55 >	Total	Non SA
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-341110-4	Legal Coordinator	2	0	0	0	1	0	0	0	3	0	0	0	0	0	3	0	0	3	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-351302-4	GIS Assistant / Consultant / Officer /Operator / Specialist / Technician	2	0	0	0	3	0	0	0	5	0	0	0	0	0	5	0	0	5	0
TECHNICIANS AND ASSOCIATE PROFESSIONALS Totals			**7**	**0**	**0**	**0**	**10**	**0**	**0**	**0**	**17**	**0**	**0**	**0**	**0**	**0**	**17**	**0**	**0**	**17**	**0**
CLERICAL SUPPORT WORKERS	2017-441605	Academic Administrative Officer	7	0	0	0	1	0	0	0	8	0	0	0	0	0	8	0	0	8	0
CLERICAL SUPPORT WORKERS Totals			**7**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**8**	**0**	**0**	**0**	**0**	**0**	**8**	**0**	**0**	**8**	**0**
Totals			64	0	0	0	55	0	0	0	119	0	0	0	0	0	119	0	0	119	0

Planned Training Budget for 1 May 2018 - 30 June 2019

Planned Training Budget						
Funding Source	**Planned Training Budget - Employed**	**Planned Training Budget - Unemployed**	**Actual Expenditure - Employed**	**Actual Expenditure - Unemployed**	**Committed Expenditure - Employed**	**Committed Expenditure - Unemployed**
Mandatory Grant Funds	150 000	0	150 000	0	0	0
Outstanding Mandatory Grant funds from previous year	80 000	0	0	0	30 000	0
Discretionary Grants funds	1 500 000	2 000 000	3 000 000	5 000 000	500 000	0
Additional funding (Municipality/entity, donor funds, other government funds etc)	500 000	3 000 000	500 000	3 000 000	0	3 000 000
Totals	**R 2 230 000**	**R 5 000 000**	**R 3 750 000**	**R 8 000 000**	**R 530 000**	**R 3 000 000**

Total Planned Training Beneficiaries for 2018/2019

LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Good Governance and Instititional development	Good Governance and the linking of democracy	To ensure internal Municipal excellence	24	10	34	100	100	200
Traditional Leadership and Development	Municipal Transformation and Institutional Development	To ensure internal Municipal excellence	20	20	40	100	100	200
Financial Management	Municipal Financial Viability and Management	To ensure financial excellence	30	25	55	100	100	200
Infrastructure Development Basic Services	Basic Service Delivery and Infrastructure Development	To promote physical infrastructure development service To provide environmental health services	15	12	27	200	150	350
Municipal Planning	Sustainable Local Economic Development	To promote socio-economic development	14	11	25	150	100	250

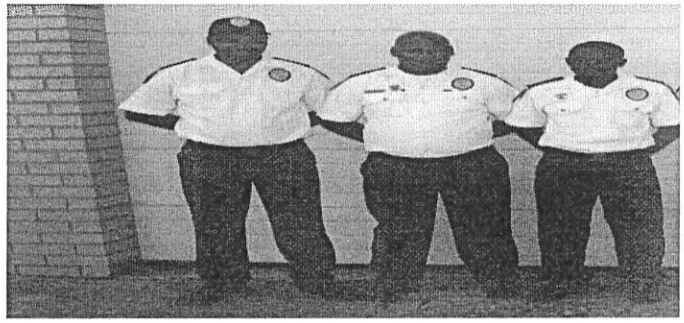
LGSETA Strategic Focus Area	Municipal Key Performance Area	Main IDP Priority Linked to Key Performance Area	Female - Employed	Male - Employed	Total	Female - Unemployed	Male - Unemployed	Total
Totals			103	78	181	650	550	1200

Total Actual Adult Education and Training beneficiaries to be trained from 1 May 2018 - 30 June 2019

AET Level	Female LGSETA funded - Employed	Female Other funded Employed	Male LGSETA funded Employed	Male Other funded Employed	Total	Female LGSETA funded - Unemployed	Female Other funded - Unemployed	Male LGSETA funded - Unemployed	Male Other funded - Unemployed	Total
AET Level 1					0					0
AET Level 2	10	0	10	0	20	25	0	25	0	50
AET Level 3	10	0	10	0	20	25	0	25	0	50
AET Level 4	10	0	10	0	20	25	0	15	0	40
National Senior Certificate	0	0	0	0	0	50	0	50	0	100
Totals	**30**	**0**	**30**	**0**	**60**	**125**	**0**	**115**	**0**	**240**



HAZMAT OPERATION PREPARATIONS



. INSTRUCTORS/FACILITATORS

Total Planned Workplace Training systems beneficiaries from 1 May 2018 - 30 June 2019

Total Planned Workplace Training systems beneficiaries

Type	Female Beneficiaries	Male Beneficiaries	Total	Total number of training interventions	Total number of training interventions funded by LGSETA
Skills Development Facilitator	2	2	4	4	2
Local Labour Forum	20	10	30	30	20
Training Committee	20	10	30	30	20
Totals	**42**	**22**	**64**	**64**	**42**



Fire and rescue operations learnership



First Aid Praticals

Employment Equity

Employment Equity's purpose is to achieve equity in the workplace by:

a) Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and;
b) Implementing affirmative action measures to address the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

Dr Kenneth Kaunda District Municipality as a municipality in terms of Chapter 7 of the constitution is regarded as a designated employer as per the definition in the Employment Equity Act. Therefore, Dr Kenneth Kaunda District Municipality as designated employer has to adhere to the requirements as set in the Employment Equity Act.

Establishment of the Employment Equity Committee

Dr. KKDM recognises that, from a business and moral perspective, it is important to entrench employment equity in the workplace and to comply with all requirements of the Employment Equity Act 55 of 1998 (the Act).

To further this end, Dr. KKDM has established Employment Equity Committee (EEC). The EEC will represent the entire District Municipality

MEMBER	STATUS	MEETINGS ATTENDED
1.	MMC Corporate Services	4
2.	SDF	4
3.	HRM	4
4.	Admin Officer	4
5.	Manager: DRM	4
6	Chief SCM	4
7	Admin Infrastructure	4
8	Special Projects	4
9	IDP Coordinator	4
10	IMATU UNION	4
11	SAMWU Union	4
12	SAMWU Union	4

Employment Equity Committee

MEMBER	STATUS	MEETINGS ATTENDED
Cllr M Mojahi	MMC Corporate Services	2
Mrs N J Ndengeza-Kouassi	SDF	2
Mr T F Malongoa	HRM	2
Ms T Grove	Admin Officer	2
Mr R Lesar	Manager DRM	2
Mrs L Veldschoen	Chief SCO	2
Ms F van Schalkwyk	Admin Officer Infrastructure	2
Mr D Mosiane	Special Projects Officer	2
Mr MG Seleke	IDP Coordinator	2
Mrs M D Sethole	IMATU	2
Mr Z Beya	SAMWU	2
Mrs F Mothibedi	SAMWU	2

Staff Compliment

	Employees No.	Approved Posts No.	Vacancies No.
Office of the Executive Mayor	13	15	2
Office of the Speaker	8	8	0
Single Whip	6	6	0
Office of the Municipal Manager	15	25	10
MPAC Office	2	2	0
Corporate Services	23	25	2
Budget and Treasury	14	17	3
Roads and Infrastructure Development	6	6	0
Municipal Health and Environmental Management	39	39	0
Disaster Risk Management	9	26	17
District Economic Development	8	9	1
Totals	**143**	**178**	**35**

Total Staff Complement Per Department With Gender And Race Current Status

Departments	A Male	W Male	C Male	I Male	A Females	W Females	C Females	I Females	Total
Office of the Executive Mayor	6	0	0	0	7	0	0	0	**13**
Office of the Speaker	3	0	1	0	4	0	0	0	**8**
Single Whip	3	0	0	0	3	0	0	0	**6**
MPAC Office	0	0	0	0	2	0	0	0	**2**
Office of the Municipal Manager	8	0	0	0	7	0	0	0	**15**
Corporate Services	5	1	1	0	14	2	0	0	**23**
Budget and Treasury	4	2	0	0	4	2	2	0	**14**
District Economic Development	4	0	0	0	4	0	0	0	**8**
Municipal Health and Environmental Management	13	2	0	0	22	2	0	0	**39**
Roads and Infrastructure Development	5	0	0	0	1	0	1	0	**6**
Disaster Risk Management	5	1	0	0	4	0	0	1	**9**
Total	**53**	**6**	**2**	**0**	**72**	**6**	**3**	**1**	**143**

DR KENNETH KAUNDA DM SCHEDULED OF MEETINGS

PORTFOLIO-COMMITTEE MEETINGS

MONTHS	CORPORATE	COMMUNITY SERVICES	INFRASTRUCTURE	DED	SPORTS, ARTS & CULTURE	FINANCE
JULY	11/072017 09:00	11/07/2017 11:00	11/07/2017 14:00	12/07/2017 09:00	12/07/2017 11:00	12/07/2017 14:00
AUGUST	08/08/2017 09:00	08/08/2017 11:00	08/08/2017 14:00	09/08/2017 09:00	09/08/2017 11:00	09/08/2017 14:00
SEPTEMBER	12/09/2017 09:00	12/09/2017 11:00	12/09/2017 14:00	13/09/2017 09:00	13/09/2017 11:00	13/09/2017 14:00
OCTOBER	10/10/2017 09:00	10/10/2017 11:00	10/10/2017 14:00	11/10/2017 09:00	11/10/2017 11:00	11/10/2017 14:00
NOVEMBER	07/11/2017 09:00	07/11/2017 11:00	07/11/2017 14:00	08/11/2017 09:00	08/11/2017 11:00	08/11/2017 14:00
DECEMBER	N/A	N/A	N/A	N/A	N/A	N/A
JANUARY	N/A	N/A	N/A	N/A	N/A	N/A
FEBRUARY	13/02/2018 09:00	13/02/2018 11:00	13/02/2018 14:00	14/02/2018 09:00	14/02/2018 11:00	14/02/2018 14:00
MARCH	13/03/2018	13/03/2018	13/03/2018	14/03/2018	14/03/2018	14/03/2018

MONTHS	CORPORATE	COMMUNITY SERVICES	INFRASTRUCTURE	DED	SPORTS, ARTS & CULTURE	FINANCE
	09:00	11:00	14:00	09:00	11:00	14:00
APRIL	10/04/2018 09:00	10/04/2018 11:00	10/04/2018 14:00	11/04/2018 09:00	11/04/2018 11:00	11/04/2018 14:00
MAY	15/05/2018 09:00	15/05/2018 11:00	15/05/2018 14:00	16/05/2018 09:00	16/05/2018 11:00	16/05/2018 14:00
JUNE	12/06/2018 09:00	12/06/2018 11:00	12/06/2018 14:00	13/06/2018 09:00	13/06/2018 11:00	13/06/2018 14:00

MAYORAL COMMITTEE AND COUNCIL MEETINGS

MAYORAL COMMITTEE MEETINGS			
20 JULY 2017		**24 AUGUST 2017**	**21 SEPTEMBER 2017**
COUNCIL MEETINGS			
27 JULY 2017	**AUGUST 2017**	**SEPTEMBER 2017**	**JUNE - NONE**

All management meetings are scheduled for every first Monday of every new month.

CHAPTER 5: FINANCIAL PERFORMANCE

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

4.3.1. Component A: Budget Summary

4.3.2. Component B: Statement of Financial Performance

4.3.3. Component C: Statement of Financial Position

4.3.4. Component D: Cash Flow

4.3.5. Component E: Grants

4.3.6. Component F: Other Financial Matters (Financial ratios)

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	8 474	3 996	2 331	2 160	2 160	3 102	3 102	2 380	2 440	2 488
Transfers recognised - operational	166 112	171 867	173 001	178 673	178 673	178 673	178 673	184 644	189 260	193 045
Other own revenue	5 728	9 242	1 612	10	10	5 831	5 831	108	111	113
Total Revenue (excluding capital transfers and contributions)	180 314	185 105	176 944	180 843	180 843	187 607	187 607	187 132	191 810	195 647
Employee costs	63 269	74 911	81 803	87 435	83 805	83 805	83 805	98 519	100 982	103 002
Remuneration of councillors	7 887	8 966	8 598	9 477	9 477	9 477	9 477	9 372	9 606	9 798
Depreciation & asset impairment	3 396	4 508	7 843	4 915	4 921	4 921	4 921	5 013	5 139	5 242
Finance charges	942	401	421	–	–	–	–	–	–	–
Materials and bulk purchases	1 532	1 260	751	3 446	3 241	3 241	3 241	3 429	3 515	3 585
Transfers and grants	101 928	69 309	5 553	5 792	7 130	7 130	7 130	5 751	5 895	6 013
Other expenditure	41 751	119 984	69 499	64 740	69 485	69 485	69 485	65 579	58 687	56 801
Total Expenditure	220 705	279 339	174 468	175 805	178 059	178 059	178 059	187 663	183 823	184 440
Surplus/(Deficit)	(40 391)	(94 235)	2 476	5 038	2 784	9 548	9 548	(531)	7 987	11 207
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 801	2 152	1 306	–	–	–	–	–	–	–
Contributions recognised -	–	–	–	–	–	–	–	–	–	–

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
capital & contributed assets										
Surplus/(Deficit) after capital transfers & contributions	(38 590)	(92 083)	3 782	5 038	2 784	9 548	9 548	(531)	7 987	11 207
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(38 590)	(92 083)	3 782	5 038	2 784	9 548	9 548	(531)	7 987	11 207
Capital expenditure & funds sources										
Capital expenditure	**25 009**	35 493	4 717	9 905	7 705	7 705	7 705	3 472	3 559	3 630
Transfers recognised - capital	**25 009**	35 493	–	–	–	–	–	–	–	–
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**–**	–	–	–	–	–	–	–	–	–
Internally generated funds	**–**	–	4 717	9 905	7 705	7 705	7 705	3 472	3 559	3 630
Total sources of capital funds	**25 009**	35 493	4 717	9 905	7 705	7 705	7 705	3 472	3 559	3 630
Financial position										
Total current assets	**100 861**	18 727	20 534	28 475	28 427	30 227	30 227	31 415	43 304	70 770
Total non current assets	**38 254**	33 408	30 669	23 851	23 851	32 863	32 863	30 868	30 780	30 707
Total current liabilities	**33 028**	37 992	31 861	12 946	12 946	30 689	30 689	30 501	30 501	30 501
Total non current liabilities	**14 814**	13 369	13 271	14 560	14 560	14 350	14 350	15 767	15 979	16 298
Community wealth/Equity	**91 273**	773	6 071	24 819	24 771	18 051	18 051	16 015	27 603	54 678
Cash flows										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing	**(42 255)**	(44 309)	13 242	9 973	7 725	14 469	14 469	4 502	13 146	17 415

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash/cash equivalents at the year end	**(23 373)**	(34 539)	(3 130)	(9 905)	(7 705)	(7 642)	(7 642)	(3 472)	(3 559)	(3 630)
Cash backing/surplus reconciliation	**(68)**	(667)	(746)	–	–	(178)	(178)	–	–	–
Cash and investments available	**83 894**	4 379	13 745	13 813	13 765	20 394	20 394	15 542	25 129	38 915
Application of cash and investments										
Balance - surplus (shortfall)										
Asset management	**83 959**	4 438	13 808	22 832	22 784	29 354	29 354	30 542	42 430	69 897
Asset register summary (WDV)	**16 967**	18 110	(14 768)	6 748	6 748	28 500	28 500	28 550	28 550	28 550
Depreciation	**66 992**	(13 672)	28 576	16 084	16 036	854	854	1 992	13 881	41 347
Renewal of Existing Assets										
Repairs and Maintenance										
Free services	**38 553**	33 349	30 606	23 792	23 792	23 792		23 169	23 748	24 223
Cost of Free Basic Services provided	**3 396**	4 508	7 843	4 915	4 921	4 921		5 013	5 139	5 242
Revenue cost of free services provided	**–**	–	–	–	–	–		–	–	–
Households below minimum service level	**1 532**	–	–	956	906	906		1 447	1 483	1 513
Water:										
Sanitation/sewerage:										
Energy:	**–**	–	–	–	–	–	–	–	–	–
Refuse:	**–**	–	–	–	–	–	–	–	–	–

COMPONENT B: STATEMENTS OF FINANCIAL PERFORMANCE

Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional									
Governance and administration	**173 722**	**177 401**	**175 465**	**177 096**	**177 096**	**183 860**	**183 421**	**188 007**	**191 767**
Executive and council	9	–	–	–	–	–	–	–	–
Finance and administration	173 714	177 401	175 465	177 096	177 096	183 860	183 421	188 007	191 767
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	**5 018**	**2 276**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community and social services	–	–	–	–	–	–	–	–	–
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	5 018	2 276	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**3 375**	**7 580**	**2 785**	**3 747**	**3 747**	**3 747**	**3 711**	**3 804**	**3 880**
Planning and development	3 375	7 580	2 785	3 747	3 747	3 747	3 611	3 701	3 775
Road transport	–	–	–	–	–	–	–	–	–
Environmental protection	–	–	–	–	–	–	100	103	105
Trading services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources	–	–	–	–	–	–	–	–	–
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	–	–	–	–	–	–	–	–	–
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	**182 115**	**187 257**	**178 250**	**180 843**	**180 843**	**187 607**	**187 132**	**191 810**	**195 647**
Expenditure - Functional									
Governance and administration	**116 904**	**231 132**	**117 702**	**95 014**	**116 297**	**116 297**	**117 659**	**112 070**	**111 251**
Executive and council	56 393	84 176	53 621	57 505	60 838	60 838	58 658	59 612	60 804
Finance and administration	60 511	146 956	64 081	37 509	55 459	55 459	59 002	52 458	50 447
Internal audit	–	–	–	–	–	–	–	–	–

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Community and public safety	**36 441**	**13 767**	**10 413**	**21 778**	**16 054**	**16 054**	**15 699**	**16 092**	**16 414**
Community and social services	–	–	–	–	–	–	–	–	–
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	36 441	13 767	10 413	21 778	16 054	16 054	15 699	16 092	16 414
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	**67 360**	**34 440**	**46 353**	**59 013**	**45 708**	**45 708**	**54 304**	**55 662**	**56 775**
Planning and development	41 364	6 873	19 986	34 610	22 053	22 053	21 830	22 376	22 823
Road transport	–	–	–	–	–	–	–	–	–
Environmental protection	25 996	27 567	26 367	24 403	23 655	23 655	32 474	33 286	33 952
Trading services	–	–	–	–	–	–	–	–	–
Energy sources	–	–	–	–	–	–	–	–	–
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	**220 705**	**279 339**	**174 468**	**175 805**	**178 059**	**178 059**	**187 663**	**183 823**	**184 440**
Surplus/(Deficit) for the year	**(38 590)**	**(92 083)**	**3 782**	**5 038**	**2 784**	**9 548**	**(531)**	**7 987**	**11 207**

Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		8 474	3 996	2 331	2 160	2 160	3 102	3 102	2 380	2 440	2 488
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–
Dividends received		2	2	2	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–
Licences and permits		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		166 112	171 867	173 001	178 673	178 673	178 673	178 673	184 644	189 260	193 045
Other revenue	2	5 713	9 240	1 570	10	10	5 831	5 831	108	111	113
Gains on disposal of PPE		13	–	39	–						
Total Revenue (excluding capital transfers and contributions)		**180 314**	**185 105**	**176 944**	**180 843**	**180 843**	**187 607**	**187 607**	**187 132**	**191 810**	**195 647**
Expenditure By Type											
Employee related costs	2	63 269	74 911	81 803	87 435	83 805	83 805	83 805	98 519	100 982	103 002
Remuneration of councillors		7 887	8 966	8 598	9 477	9 477	9 477	9 477	9 372	9 606	9 798
Debt impairment	3	371	65	311	–	–	–	–	–	–	–
Depreciation & asset impairment	2	3 396	4 508	7 843	4 915	4 921	4 921	4 921	5 013	5 139	5 242
Finance charges		942	401	421	–						
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other materials	8	1 532	1 260	751	3 446	3 241	3 241	3 241	3 429	3 515	3 585
Contracted services		2 112	20 832	24 988	38 582	40 291	40 291	40 291	35 664	28 024	25 525
Transfers and subsidies		101 928	69 309	5 553	5 792	7 130	7 130	7 130	5 751	5 895	6 013
Other expenditure	4, 5	39 175	99 060	43 023	26 138	29 174	29 174	29 174	29 895	30 642	31 255
Loss on disposal of PPE		94	27	1 177	20	20	20	20	20	21	21
Total Expenditure		**220 705**	**279 339**	**174 468**	**175 805**	**178 059**	**178 059**	**178 059**	**187 663**	**183 823**	**184 440**
Surplus/(Deficit)		**(40 391)**	**(94 235)**	**2 476**	**5 038**	**2 784**	**9 548**	**9 548**	**(531)**	**7 987**	**11 207**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 801	2 152	1 306	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**(38 590)**	**(92 083)**	**3 782**	**5 038**	**2 784**	**9 548**	**9 548**	**(531)**	**7 987**	**11 207**
Taxation											
Surplus/(Deficit) after taxation		**(38 590)**	**(92 083)**	**3 782**	**5 038**	**2 784**	**9 548**	**9 548**	**(531)**	**7 987**	**11 207**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**(38 590)**	**(92 083)**	**3 782**	**5 038**	**2 784**	**9 548**	**9 548**	**(531)**	**7 987**	**11 207**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**(38 590)**	**(92 083)**	**3 782**	**5 038**	**2 784**	**9 548**	**9 548**	**(531)**	**7 987**	**11 207**

COMPONENT C: STATEMENTS OF FINANCIAL POSITION

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS										
Current assets										
Cash	83 894	4 379	13 745	13 813	13 765	20 394	20 394	15 542	25 129	38 915
Call investment deposits	–	–	–	8 960	8 960	8 960	8 960	15 000	17 301	30 982
Consumer debtors	389	–	–	219	219	–	–	–	–	–
Other debtors	16 578	14 347	6 789	5 483	5 483	873	873	873	873	873
Current portion of long-term receivables					–					
Inventory					–					
Total current assets	**100 861**	**18 727**	**20 534**	**28 475**	**28 427**	**30 227**	**30 227**	**31 415**	**43 304**	**70 770**
Non-current assets										
Long-term receivables					–					
Investments	65	59	63	59	59	–	–	–	–	–
Investment property					–					
Investment in Associate	0	0	0	–	–					
Property, plant and equipment	37 310	32 900	29 833	21 787	21 787	31 532	31 532	29 389	29 263	29 161
Agricultural					–					
Biological					–					
Intangible	879	450	773	2 005	2 005	1 331	1 331	1 479	1 516	1 547
Other non-current assets					–					
Total non-current assets	**38 254**	**33 408**	**30 669**	**23 851**	**23 851**	**32 863**	**32 863**	**30 868**	**30 780**	**30 707**
TOTAL ASSETS	**139 115**	**52 135**	**51 203**	**52 326**	**52 278**	**63 090**	**63 090**	**62 283**	**74 084**	**101 477**
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	550	785	489	–	–	238	238	–	–	–

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Consumer deposits										
Trade and other payables	32 083	36 749	30 892	12 450	12 450	29 956	29 956	29 956	29 956	29 956
Provisions	395	458	481	496	496	496	496	546	546	546
Total current liabilities	**33 028**	**37 992**	**31 861**	**12 946**	**12 946**	**30 689**	**30 689**	**30 501**	**30 501**	**30 501**
Non-current liabilities										
Borrowing	1 073	485	–	388	388	178	178	178	–	–
Provisions	13 740	12 883	13 271	14 172	14 172	14 172	14 172	15 589	15 979	16 298
Total non-current liabilities	**14 814**	**13 369**	**13 271**	**14 560**	**14 560**	**14 350**	**14 350**	**15 767**	**15 979**	**16 298**
TOTAL LIABILITIES	**47 842**	**51 361**	**45 132**	**27 506**	**27 506**	**45 039**	**45 039**	**46 269**	**46 480**	**46 800**
NET ASSETS	**91 273**	**773**	**6 071**	**24 819**	**24 771**	**18 051**	**18 051**	**16 015**	**27 603**	**54 678**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	91 273	773	6 071	24 819	24 771	18 051	18 051	16 015	27 603	54 678
Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**91 273**	**773**	**6 071**	**24 819**	**24 771**	**18 051**	**18 051**	**16 015**	**27 603**	**54 678**

COMPONENT D: CASH FLOWS

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–	–	–
Service charges								–	–	–
Other revenue	5 090	12 004	10 563	10	10	5 831	5 831	108	111	113
Government - operating	164 661	172 008	174 864	178 673	178 673	178 673	178 673	184 644	189 260	193 992
Government - capital	1 801	2 152		–	–	–	–	–	–	–
Interest	8 474	3 996	2 331	2 160	2 160	3 102	3 102	2 380	2 440	2 488
Dividends	2	2	2	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(221 409)	(234 470)	(174 518)	(165 078)	(165 988)	(166 008)	(166 008)	(176 879)	(172 769)	(173 165)
Finance charges	(874)	–	–	–	–	–	–	–	–	–
Transfers and Grants				(5 792)	(7 130)	(7 130)	(7 130)	(5 751)	(5 895)	(6 013)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(42 255)**	**(44 309)**	**13 242**	**9 973**	**7 725**	**14 469**	**14 469**	**4 502**	**13 146**	**17 415**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	15	726	46	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current	(57)	(65)	–	–	–	63	63	–	–	–

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
investments										
Payments										
Capital assets	(23 331)	(35 199)	(3 176)	(9 905)	(7 705)	(7 705)	(7 705)	(3 472)	(3 559)	(3 630)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(23 373)**	**(34 539)**	**(3 130)**	**(9 905)**	**(7 705)**	**(7 642)**	**(7 642)**	**(3 472)**	**(3 559)**	**(3 630)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	(68)	(667)	(746)	–	–	(178)	(178)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(68)**	**(667)**	**(746)**	**–**	**–**	**(178)**	**(178)**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(65 696)**	**(79 514)**	**9 366**	**68**	**20**	**6 649**	**6 649**	**1 030**	**9 587**	**13 785**
Cash/cash equivalents at the year begin:	**149 590**	**83 894**	**4 379**	**13 745**	**13 745**	**13 745**	**13 745**	**14 512**	**15 542**	**25 129**
Cash/cash equivalents at the year-end:	**83 894**	**4 379**	**13 745**	**13 813**	**13 765**	**20 394**	**20 394**	**15 542**	**25 129**	**38 915**

COMPONENT E: GRANTS

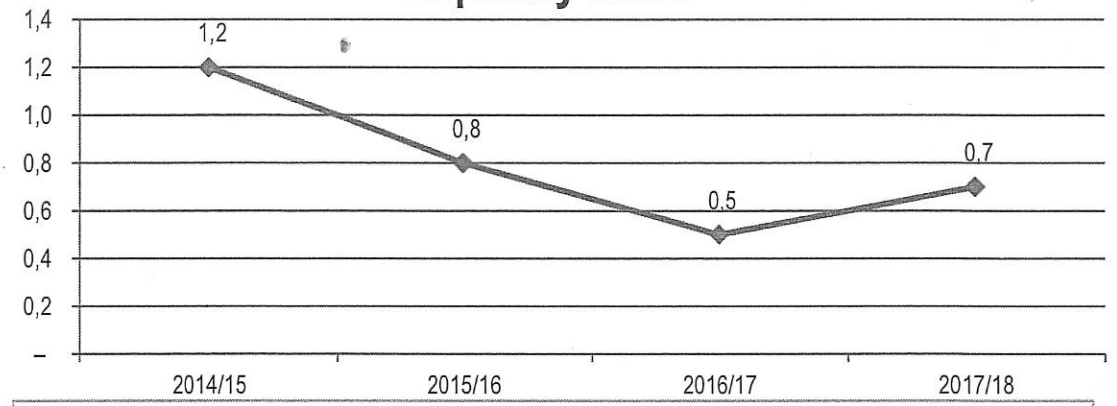
Transfers and grant receipts

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**163 665**	**171 939**	**174 290**	**178 423**	**178 673**	**178 673**	**184 644**	**189 533**	**193 045**
Local Government Equitable Share	18 398	20 078	19 609	20 039	20 039	20 039	21 710	22 526	22 698
RSC Levy Replacement	142 083	145 604	149 710	153 637	153 637	153 637	158 323	162 281	165 527
Finance Management	1 250	1 250	1 250	1 000	1 250	1 250	1 000	1 025	1 046
Municipal Systems Improvement	934	930	–	–	–	–	–	–	–
EPWP Incentive	1 000	1 925	1 479	1 292	1 292	1 292	1 151	1 180	1 203
				–	–	–			
Rural Roads Assets Management System		2 152	2 242	2 455	2 455	2 455	2 460	2 522	2 572
Provincial Government:	–	–	–	–	–	–	–	–	–
Rural Roads Assets Management System									
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	–	**13 863**	–	–	–	–	–	–	–
LG SETA		3 863							
CATHSETA		10 000							
Total Operating Transfers and Grants	**163 665**	**185 802**	**174 290**	**178 423**	**178 673**	**178 673**	**184 644**	**189 533**	**193 045**
Capital Transfers and Grants									
National Government:	–	–	–	–	–	–	–	–	–
Other capital transfers/grants									

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
[insert desc]									
Provincial Government:	–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	–	–	–	–	–	–	–	–	–
LG SETA									
Total Capital Transfers and Grants	–	–	–	–	–	–	–	–	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	163 665	185 802	174 290	178 423	178 673	178 673	184 644	189 533	193 045

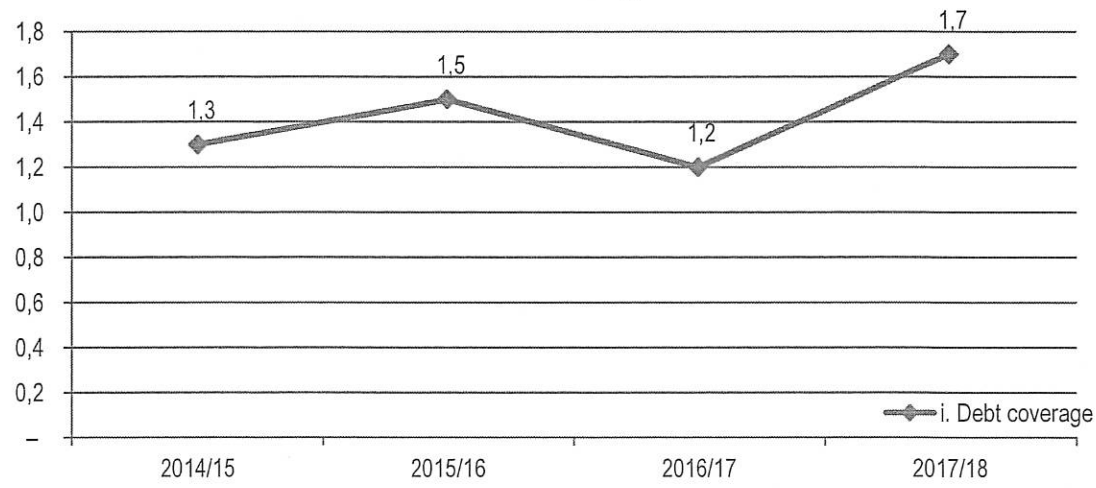
Expenditure on transfers and grant programme

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	163 665	171 939	174 290	178 423	178 673	178 673	184 644	189 533	193 045
Local Government Equitable Share	18 398	20 078	19 609	20 039	20 039	20 039	21 710	22 526	22 698
RSC Levy Replacement	142 083	145 604	149 710	153 637	153 637	153 637	158 323	162 281	165 527
Finance Management	1 250	1 250	1 250	1 000	1 250	1 250	1 000	1 025	1 046
Municipal Systems Improvement	934	930	–	–	–	–	–	–	–
EPWP Incentive	1 000	1 925	1 479	1 292	1 292	1 292	1 151	1 180	1 203
Rural Roads Assets Management System		2 152	2 242	2 455	2 455	2 455	2 460	2 522	2 572
Provincial Government:	–	–	–	–	–	–	–	–	–
Rural Roads Assets Management System									
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	–	13 863	–	–	–	–	–	–	–
LG SETA		3 863							
CATHSETA		10 000							
Total operating expenditure of Transfers and Grants:	163 665	185 802	174 290	178 423	178 673	178 673	184 644	189 533	193 045
Capital expenditure of Transfers and Grants									
National Government:	–	–	–	–	–	–	–	–	–
Provincial Government:	–	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	–	–	–	–	–
LG SETA									
Total capital expenditure of Transfers and Grants	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	163 665	185 802	174 290	178 423	178 673	178 673	184 644	189 533	193 045



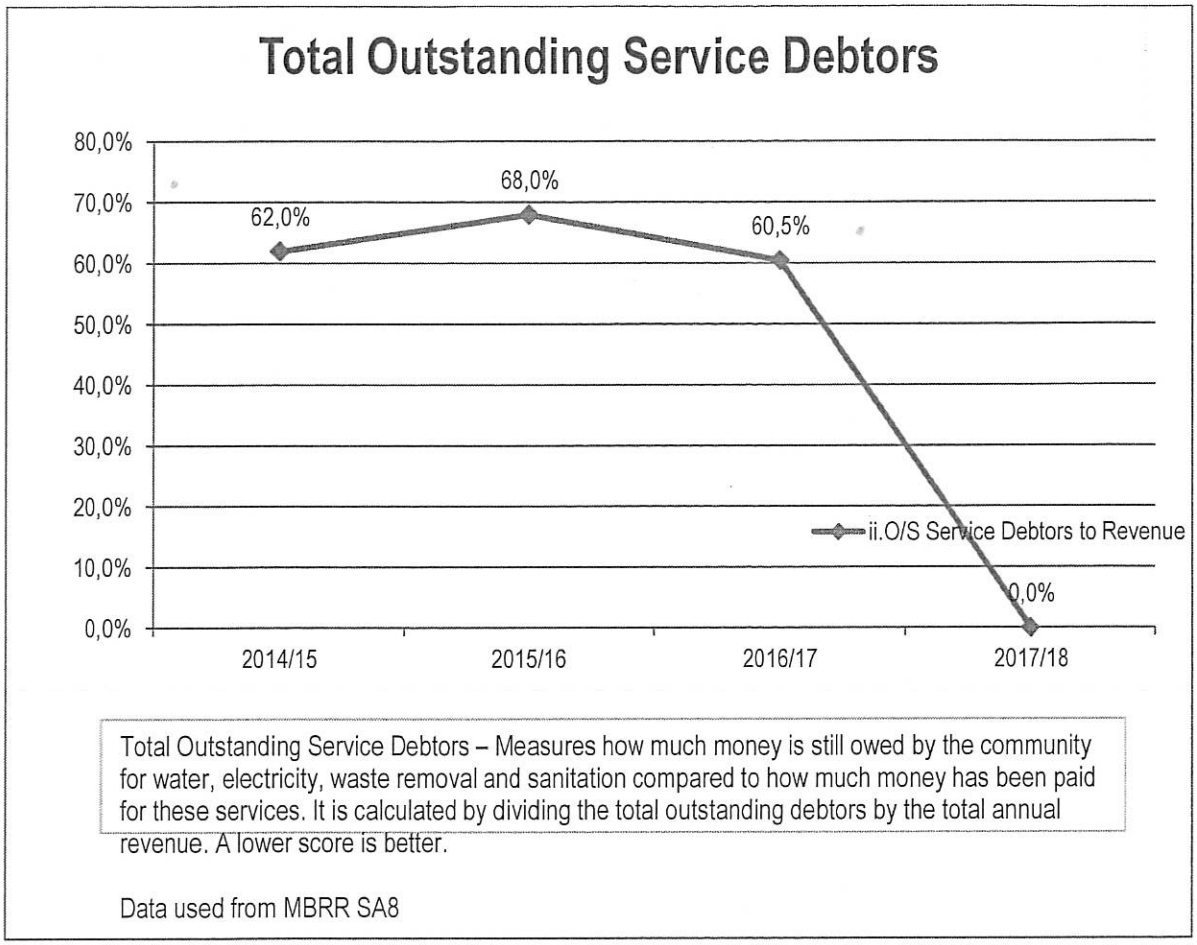
Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8



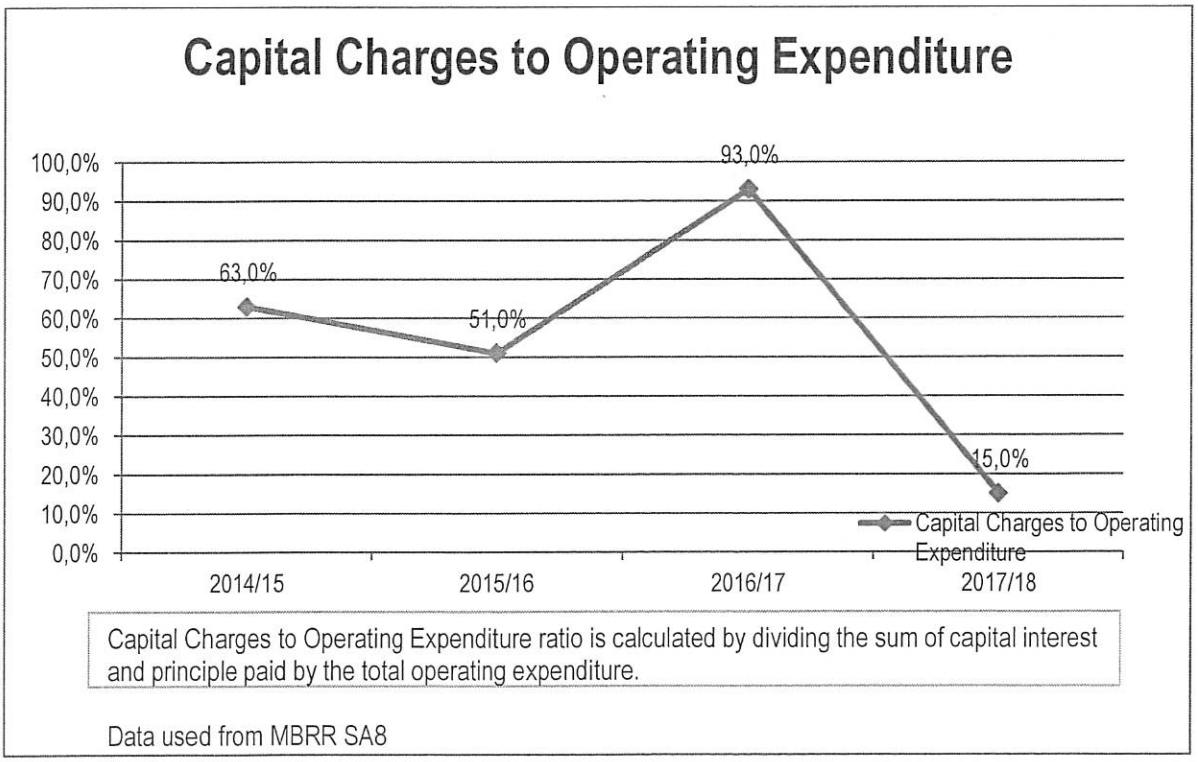
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8



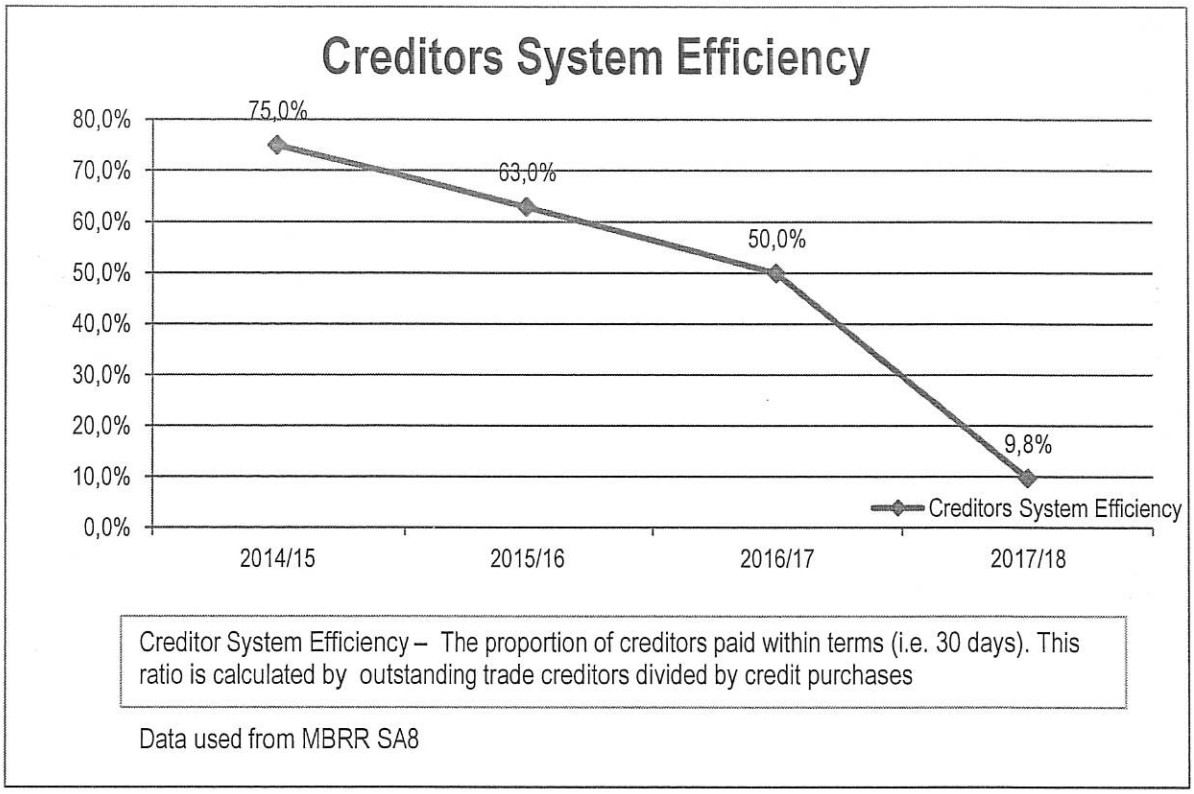
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8



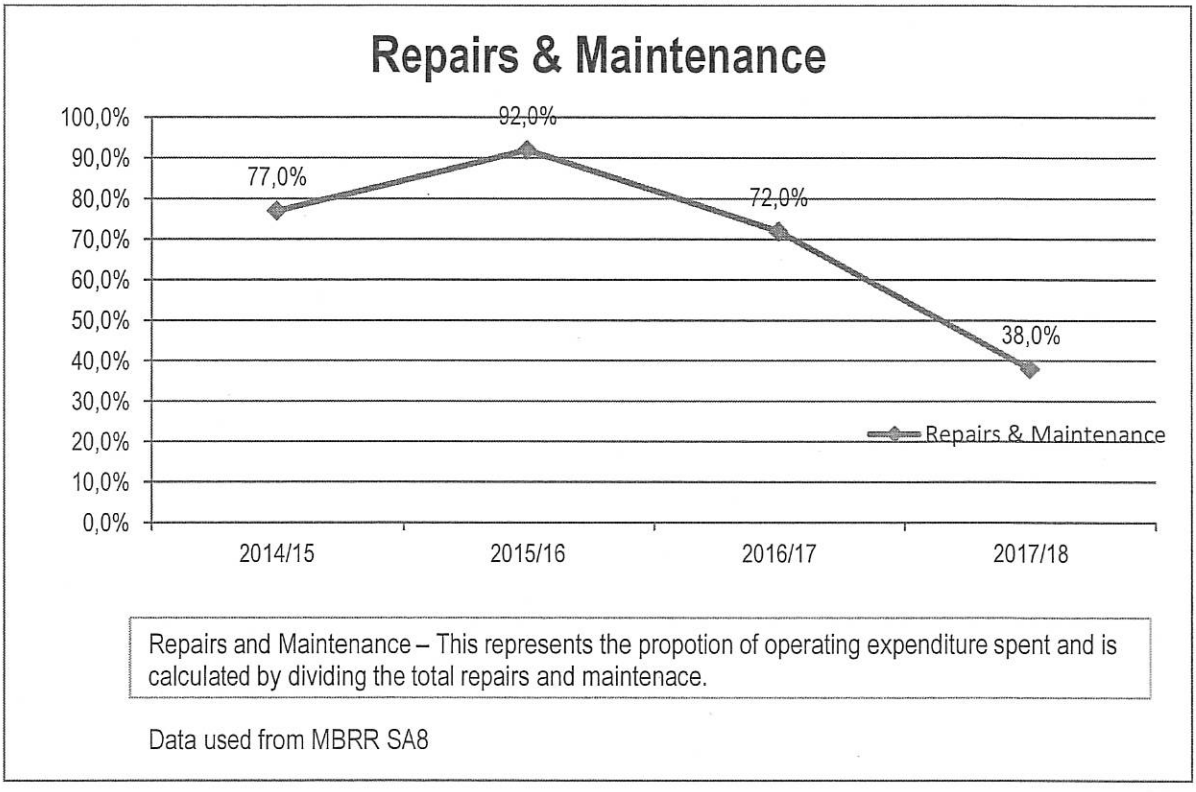
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8



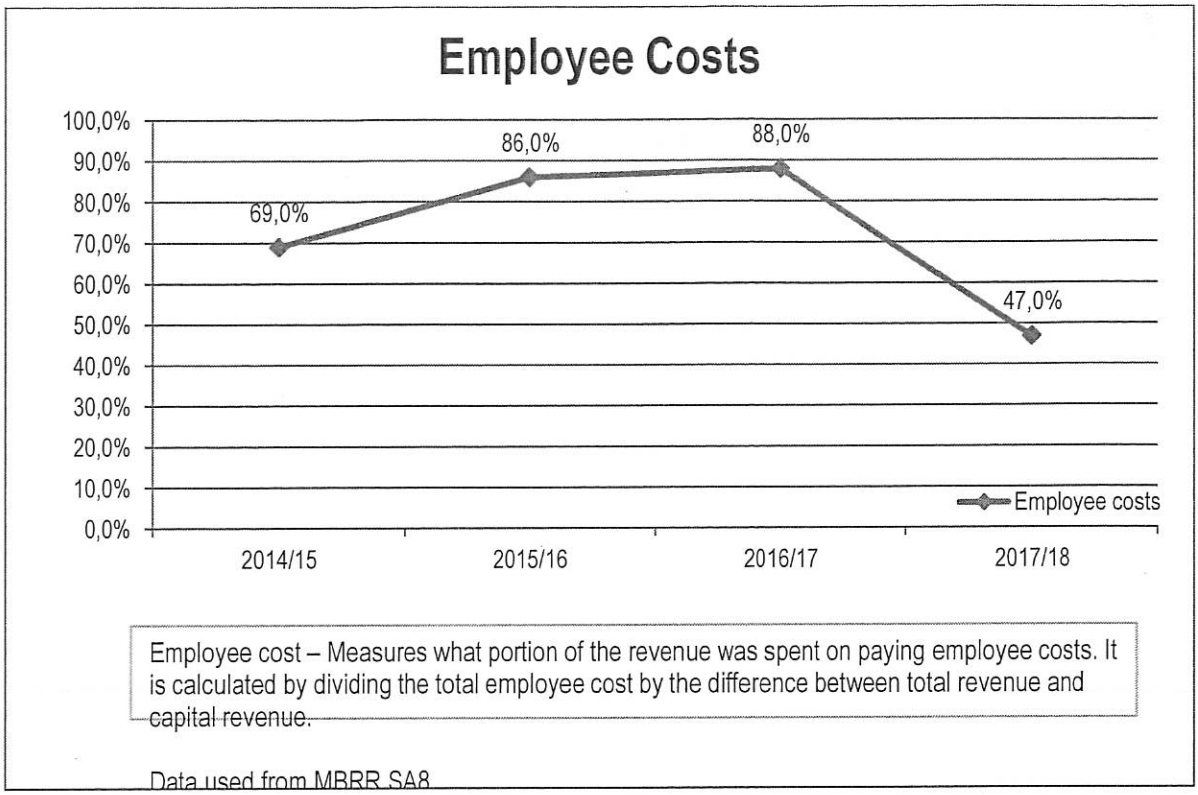
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.

Data used from MBRR SA8



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

COMPONENT A: 2017/18 AUDIT REPORT

Auditing to build public confidence

AUDITOR-GENERAL SOUTH AFRICA

Report of the auditor-general to the North West Provincial Legislature and the council on the Dr. Kenneth Kaunda District Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the Dr. Kenneth Kaunda District Municipality and it subsidiary set out on pages 263 to 371, which comprise of the consolidated and separate statement of financial position as at 30 June 2018, and the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Dr. Kenneth Kaunda District Municipality and its subsidiary as at 30 June 2018, and their financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA).

Basis for qualified opinion

Expenditure

3. The municipality did not have adequate systems to maintain records for expenditure on goods and services paid for. This resulted in general expenses being understated by R5 889 367, contracted service being overstated by R22 529 106, transfers and subsidies being understated by R6 193 707, VAT receivable being understated by R1 656 310, receivables from non-exchange transactions being understated by R398 598, and payables from exchange transaction being understated by R4 662 151. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus
4. I was unable to obtain sufficient appropriate audit evidence that services were received for payments made to contractors as the information and explanations I considered necessary could not be provided by management. I was unable to confirm these payments classified as

contracted services by alternative means. Consequently, I was unable to determine whether any adjustments relating to goods and service of R R43 946 354 (2017: R35 895 418) disclosed in the consolidated and separate statement of financial performance and note 31 to the consolidated and separate statement financial statements were necessary.

5. I was unable to obtain sufficient appropriate audit evidence for general expenses as the information and explanations I considered necessary could not be provided by management. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any adjustments relating to general expenses of R31 129 819 disclosed in the consolidated and separate statement of financial performance and note 32 to the consolidated and separate statement financial statements were necessary.

Irregular expenditure

6. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. I was unable to obtain sufficient appropriate audit evidence for the restated irregular expenditure of R106 672 284 and R101 823 533 incurred in the previous year as documentation to confirm the irregular expenditure disclosed was not provided for audit. The municipality's records did not permit the application of alternative procedures. In addition, the municipality and entity made payments of R3 671 158 and R545 335 in the current year in contravention with the supply chain management requirements and the entity overspent its approved budget by R1 479 285 in contravention of section 87(8) of the MFMA, which were not included in irregular expenditure disclosed in the consolidated and separate financial statements. Consequently, I was unable to determine whether any further adjustment relating to irregular expenditure of R135 095 977 and R130 247 226 (2017: R106 672 284 and R101 823 533), as disclosed in note 47 to the consolidated and separate financial statements was necessary.

Context for the opinion

7. 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 consolidated and separate financial statements section of my report.
8. 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.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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



Unauthorised, fruitless and wasteful expenditure

11. As disclosed in note 45 to the consolidated and separate financial statements, unauthorised expenditure of R17 497 853 was incurred in the current year and the unauthorised expenditure of R50 468 921 in respect of prior years had not yet been dealt with in accordance with section 32 of the MFMA.

12. As disclosed in note 46 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R205 861 was incurred in the current year and fruitless and wasteful expenditure of R10 700 729 from prior years had not yet been dealt with in accordance with section 32 of the MFMA.

Restatement of comparative amounts

13. As disclosed in note 41 and 42 to the consolidated and separate financial statements, the corresponding figures for 30 June 2017 have been restated as a result of an error and reclassifications in the financial statements of the municipality at, and for the year ended 30 June 2018.

Other matter

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

Unaudited disclosure note

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 consolidated and separate financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the consolidated and separate financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the SA standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

17. In preparing the consolidated and separate 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 there is no realistic alternative but to do so.



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

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

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

Report on the audit of the annual performance report

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 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 key performance area presented in the annual performance report of the municipality for the year ended 30 June 2018:

Key performance area	Pages in the annual performance report
KPA 1 – Basic services and infrastructure development	86 - 92

23. I performed procedures to determine whether the reported performance information 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 finding in respect of the usefulness and reliability of the selected key performance area is as follows:

KPA 1 – Basic service and infrastructure development

KPI 5: Number of municipal health licences issued by June 2018

25. The achievement for this indicator reported in the annual performance report was 334. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 401.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. Refer to the annual performance report on pages 86 to 156 for information on the achievement of planned targets for the year. This information should be considered in the context of the material finding on the reliability of the reported performance information in paragraphs 22 to 25 of this report.

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: Basic services and infrastructure development. As management subsequently corrected only some of the misstatements, I reported material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

Report on audit of compliance with legislation

Introduction and scope

29. 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.

30. The material findings on compliance with specific matters in key legislation are as follows:

Strategic planning and performance management

31. Annual performance objectives and indicators for the Dr Kenneth Kaunda District Municipality Economic Agency SOC Limited were not established by agreement between the municipality and the entity, as required by sections 93B(a) and 93C(a)(iv) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Financial statements

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

Procurement and contract management

33. Awards were made to providers who were in the service of other state institutions, in contravention of section 112(j) of the MFMA and supply chain management (SCM) regulation 44.

34. Some of the quotations were accepted from bidders who had not submitted 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).

35. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

36. Contracts was awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

Human resource management

37. 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 MSA.

Expenditure management

38. Reasonable steps were not taken to prevent unauthorised expenditure of R17 497 853, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

39. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed in note 47 does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. Most of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.

40. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R157 971, as disclosed in the note 46 to the financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the disclosed fruitless and wasteful expenditure was caused by late payments that resulted in interest payable.

Assets management

41. Funds were invested with a mutual bank not registered in terms of the Banks Act, 1990 (Act No. 94 of 1990), in contravention of the municipality's investment policy and regulations 3(3) and 6 of the Municipal Investment Regulations.

42. Capital assets were permanently disposed of without the approval of the council, as required by section 14(2)(a) of the MFMA.



Consequence management

43. The unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

44. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which include executive mayor's report, municipal manager report and audit committee report. The other information does not include the consolidated and separate financial statements, the auditor's report thereon and selected key performance area presented in the annual performance report that have been specifically reported on in the auditor's report.

45. My opinion and findings do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

46. 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 areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

47. I did not receive the other information prior to the date of the auditor's report. When I do receive this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to reissue my auditor's report amended as appropriate.

Internal control deficiencies

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

    - Leadership did not adequately exercise oversight of financial and performance reporting and compliance with legislation. In addition, they did not have sufficient monitoring controls to ensure that financial and performance reports submitted for audit were accurate and complete.
    - Senior management did not implement adequate control disciplines over financial and performance reporting and compliance with key legislation. There was a lack of a proper records management system that could support the information reported in the financial statements and performance report, with the result that material errors and omissions were identified during the audit process.
    - The audit committee and internal audit unit had limited impact in ensuring the effectiveness of the internal control environment, including financial and performance reporting and

compliance with laws and regulations. These structures failed to effectively monitor and review the implementation of action plans to address prior year findings resulting in numerous repeat findings. This is due to the audit committee not effectively functioning throughout the year and the internal audit failing to execute its responsibilities toward the entity to identify internal control deficiencies and make recommendations for corrective action by management.

Other reports

49. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

50. The South African Police Service is investigating a case of fraud against a service provider who failed to perform in terms of a contract during the period February 2015 to June 2015. The investigation is still in progress.
51. The South African Police Service, at the request of the municipality, is investigating a case of fraud against an employee for illegal access to municipal bank account. The investigation is currently in progress.

Auditor-General

Rustenburg

31 December 201

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

52. 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

53. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
- conclude on the appropriateness of the accounting officer'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 Dr. Kenneth Kaunda District 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 the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

54. 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.

55. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.



MUNICIPAL AUDIT COMMITTEE REPORT

DR KENNETH KAUNDA DISTRICT MUNICIPALITY'S AUDIT COMMITTEE (AC) HANDOVER REPORT FOR THE PERIOD 1 JULY 2018 TO 31 MARCH 2018

We are pleased to present our report for the period 1 July 2017 to 31 March 2018.

1. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee (AC) report that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The AC also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

2. AUDIT COMMITTEE ATTENDANCE OF MEETINGS

The AC, consisting of three of five independent outside members, met twice for the period under review. Sometimes were not held due to non-availability of management.

3. ATTENDANCE OF MEETINGS BY MANAGEMENT

The attendance of meetings was satisfactorily and must be commended. However the submission of audit packs on time is still lacking.

4. REPORT TO COUNCIL

Reports to Council were crafted still to serve before Council. Thus I recommend, that they be submitted to Council with this report.

5. AC RESOLUTIONS IMPLEMENTATION

Management still to implement some of the recommendations of the AC. Consequently, I recommend that Accounting Officer hand the said resolutions to new AC for follow-up and recommend to Council accordingly.

6. FINANCIAL VIABILITY OF THE MUNICIPALITY

The District is not financial viable and going-concern remain a challenge. Recommendations are:

- Crafting of turnaround strategy
- Development and implementation revenue enhancement strategies
- Implementation of cost containment measures.

7. AUDIT OPINION HISTORY

The District for the past two financial years received a qualified audit opinion. Recommendations are:

- Accounting Officer should craft a clean audit strategy.
- Accounting Officer should craft a PAAP.
- PAAP should serve before Council on a quarterly basis
- Consequence management against the official who contribute towards a audit opinion.

8. LEADERSHIP

Two section 56/57 positions were vacant at the time of the drafting. Accounting Officer should fast-track the filling of such vacancies.

9. CHIEF AUDIT EXECUTIVE

The AC recommended the appointment of the Chief Audit Executive with the objective:

- To achieve clean audit
- To effectively support district and local municipality
- To implement a shared audit committee
- To assist the Accounting Officer in following up the AGSA issues

Furthermore, the AC would like to draw the attention of Accounting Officer and Council to following benefits of having the CAE:

- Effective internal audit unit.
- This person will provide leadership to Council
- Efficient internal audit unit
- This person will advice Management on the issue list in section 165 and 166 of the MFMA.
- Compliance with the MFMA, Treasury Guidelines ad King 4.
- The said person will support Audit Committee.

10. GOVERNANCE

The Accounting Officer should establish/strengthen the following committees:

- Audit Steering Committee
- IT Steering Committee
- Risk Management Committee
- Senior Management Committee

11. UIFW BALANCES

Accounting Officer should investigate the UIFW balances and report to Council and MPAC as follows:

Financial Years	Investigation done by	Completion date
2012/13	Accounting Officer	31 June 2019
2013/14	Accounting Officer	31 June 2019
2014/15	Accounting Officer	31 June 2019
2015/16	Accounting Officer	31 December 2018
2016/17	Accounting Officer	31 June 2018

12. INTERNAL CONTROL

The Audit Committee has taken note of the internal control deficiencies as reported by Internal Audit and advice management to immediately address the matters identified. Furthermore, the Accounting Officer should develop an internal control universe on or before 31 June 2018.

13. IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The Internal Audit and Accounting Officer reported that adequate controls were in place regarding financial reporting, but these controls were ineffective due to the late submission of MFMA Section 71 Reports in the specified timeframe as required by Section 71 of the MFMA.

14. PERFORMANCE MANAGEMENT

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

15. PERFORMANCE EVALUATION

The performance of the Municipal Manager and Managers reporting directly to the Municipal Manager for the second quarter of the financial year has not been conducted. The AC advises

management and Council to immediately address the outstanding performance evaluations of the Municipal Manager and Managers reporting directly to the Municipal Manager.

16. AUDIT COMMITTEE CHARTER

The AC does have a valid Audit Committee charter, and I recommend that a new charter be crafted and submitted to Council for approval since the municipality is going into a new shared service arrangement or temporary arrangement.

17. INTERNAL AUDIT CHARTER

The AC does have a valid Internal Audit Charter, and I recommend that a new charter be crafted and submitted to Council for noted since the municipality is going into a new shared service arrangement or temporary arrangement.

18. TRANSACTIONS ADVISOR

The AC recommend as follows:

- Payment to said service provider should be based on percentage of amount of revenue raised.
- Close monitoring and supervising of the said service provider.
- Accounting Officer should avoid paying the service out of the equitable share.

19. RISK MANAGEMENT

The AC is of the opinion that municipality's risk management does not exist. Accounting Officer must attend to this compliance and internal control measures on or before 31 June 2018.

Further recommendations:

- A shared function with JB Marks Municipality in respect of Risk Management Committee
- Appoint own risk management officer

20. ACCOUNTING OFFICER'S OFFICE

The AC recommends the appointment of the following people to strengthen the MM's office:

- Manager in the MM's Office
- PMS officer

21. INTERGRITY MANAGEMENT

The Accounting Officer should:

- Ensure that all the senior managers and SCM official declare all the interest.
- Verification of all such disclosures for completion and to ensure appropriate approval.
- Officials (in the District and Agency) doing remurative work should be approved by the Accounting Officer on or before 31 June 2018.

22. COMPLIANCE WITH LAWS AND REGULATIONS

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

23. INTERNAL AUDIT

The AC is not satisfied with the capacitating this unit. The above conclusion is based on:

- The charter, independence and activities of the internal audit function that are clearly understood and respond to the objectives of the municipality and the legal framework;
- Regularly review of the functional and administrative reporting lines of the internal auditor to ensure that the organisational structure is consistent with the principles of independence and accountability;
- Review and approval of the internal audit charter, including internal audit strategic plan;
- Confirmation that the annual audit plan makes provision for critical risk areas in the municipality;
- Advice to the municipality on resources allocated to give effect to the work outputs of the internal audit function;
- Confirmation with management that internal audit findings are submitted to the audit committee on a quarterly basis;
- Confirmation of actions taken by management in relation to the audit plan;
- Consideration and review of reports relating to difficulties encountered during the course of the audit engagement, including any scope limitation or access to information reported to the accounting officer that remain unresolved;
- Evaluation of the performance of internal audit activity in terms of the agreed goals and objectives as captured in the audit plan;
- The head of internal audit having reasonable access to the chairperson of the audit committee;

24. EXTERNAL AUDIT

The Accounting Officer and AC as well all the Council Committees must engage AGSA on a regularly basis with view of improving the governance, service delivery and audit opinion.

25. PROGRESS ON IMPLEMENTATION OF AGSA ISSUES

Management has developed an action plan to address issues raised in the Management Report of AGSA. Progress should be monitored by the AC on a quarterly basis.

26. FINANCIAL MISCONDUCT DISCIPLINARY BOARD

Council should replace the Audit Committee Chairperson as his contract has expired as a member of the board.

27. AGENCY BOARD EVALUATION

The Accounting Officer should facilitate the evaluation of the performance of the board and ensure that the CEO signs a performance contract and annual interest disclosure on or before 31 June 2018.

28. AUDIT COMMITTEE ADMINISTRATION

Accounting Officer must formalize together with the terms of reference who must perform the secretarial work of the AC.

29. CONCLUSION

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



SAB Ngobeni (Mr)
Chairperson of the Audit Committee
08 May 2018

INTERNAL AUDIT ANNUAL REPORT

1. BACKGROUND

International Standards for the Professional Practice of Internal Auditing (Standards)

Standard 2060 – Reporting to Senior Management and the Board (Council)

The Chief Audit Executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.

2. PURPOSE OF INTERNAL AUDIT ACTIVITY

The purpose of the internal audit activity as defined in the 2017/2018 Internal Audit Charter was to provide independent, objective assurance and consulting services designed to add value and improve Dr Kenneth Kaunda District Municipality's operations. The mission of internal audit was to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

3. AUTHORITY OF THE INTERNAL AUDIT ACTIVITY

- The Head of Internal Audit report functionally to the Audit Committee and administratively (i.e., day-to-day operations) to the Accounting Officer.
- To assure that Dr Kenneth Kaunda District Municipality's internal audit activity had sufficient authority to fulfill its duties, the Audit Committee:
    - Approved the Internal Audit Activity's charter.
    - Approved the 2017/2018 risk-based internal audit plan.
    - Received communications from the Manager Internal Audit on the Internal Audit Activity's performance relative to its plan and other matters.
    - Through the internal audit charter, internal audit activity was authorised to have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
    - Allocated resources to audit projects, set frequencies, select subjects, determined scopes of work, apply techniques required to accomplish audit objectives, and issue reports.

- Obtained assistance from the necessary personnel of Dr Kenneth Kaunda District Municipality as well as other specialized services from within or outside Dr Kenneth Kaunda District Municipality to complete the engagement.

4. RESPONSIBILITY

In terms of its responsibility, internal audit activity performed the following tasks:

- Submitted to management and the audit committee the 2017/2018 risk based internal audit plan for review, inputs and approval.
- Through its reports, communicated to management and the audit committee the impact of resource limitations on the internal audit plan.
- Ensured that each engagement of the internal audit plan was executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Ensured that the principles of integrity, objectivity, confidentiality, and competency were applied and upheld during audit engagements.
- Ensured that the Internal Audit staff collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter by attending appropriate trainings or attending workshops and conferences.
- Ensured adherence to Dr Kenneth Kaunda District Municipality's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter.

5. PERFORMANCE RELATIVE TO ITS PLAN:

Ten (10) projects were planned for Dr. Kenneth Kaunda District Municipality, only 70% of the audit plan was achieved due to the following challenges:

- The MSCOA audit was not conducted because as at September 2017, the municipality had not implemented the mSCOA.
- There was a limitation of scope in terms of audit of skills development in the municipality. The resource that was supposed to assist internal audit from skills was not available most of time resulting to limitation on the audit. The report on limitation was communicated with appropriate parties.
- In terms of the audit on Municipal Information Security Standards, audit was planned but had to be put on halt due to disagreement of the scope with the portfolio manager. In terms of the Standard for Professional Practice of Internal Auditing, the scope must be agreed with the

client, so in this case there was disagreement due to technical issues of who is responsible for what between Manager MISS and IT Manager.

6. CONTROL ISSUES, GOVERNANCE ISSUES, SIGNIFICANT RISK EXPOSURES INCLUDING FRAUD RISKS

6.1. CONTROL ISSUES:

Based on the internal audit reviews, the following were the major control issues identified during the year:

6.1.1. Supply Chain Management System.

- There was no whistleblowing mechanisms, fraud and anti-corruption plans;
- No job descriptions for some officials in the Supply Chain Management Unit;
- Training needs and skills shortage not evaluated;
- No declaration of interest was done by bid committees;
- Irregular expenditures due to month to month contracts;
- Internal control weakness in the SCM processes – turnaround time for procurement process was not set resulting to delays in service delivery;
- Internal control deficiency – services and votes paid from votes without first confirming that those votes were correct votes for such services and goods;
- There were payments made without sufficient evidence (supporting documentation);
- There were instances of insufficient evidence to prove services rendered to the municipality;
- Compliance – results of bids/tenders were not published in the municipal website;
- There was a fruitless and wasteful expenditure because of payment made for services not rendered.

6.1.2. Leave Audit:

The following were Control issues in relation to Leave Management Audit:

- Unsatisfactory management integrity and ethical values;
- Lack of leave management policy;
- Unused leave credits were not forfeited;
- There were employees with annual leave credit of more than 48 days;
- Improper administration of leave;
- There were instances where leave was taken without being recommended, confirmed and approved;
- There were instances where there were no records for the leave taken;
- Attendance registers were not reconciling to the payday system and leave forms.

6.1.3. PMS Audit:

The main concerns around Performance Management System were the following:

- There were instances where the reported achieved targets did not respond to Portfolio of evidence.
- There were instances where Portfolio of evidence was not submitted to Internal Audit for review.

6.2. GOVERNANCE ISSUES

6.2.1. Senior Management Level

- CFO resigned in November 2017;
- Director for DED & T department resigned in May 2018;
- Municipal Health Services remained for the entire financial year without a substantive Director; and
- Disaster Risk and Management also remained without a substantive Director for the entire financial year.

6.2.2. Audit Committee Level

- The audit committee was not effective for the 2017/2018 financial year, the committee met only twice in a year because of non-availability of management.

6.2.3. Risk Management Level

- The municipality remained without a risk management unit for the 2017/2018 financial year and as a result, there was no risk assessment register for the 2017/2018 financial year.
- Recommendations made by internal audit on how to improve risk management at the municipality were not implemented.

6.2.4. Council Level

- Council meetings were held as per the council schedule. There were no issues in terms of Council.

6.3. SIGNIFINCANT RISK EXPOSURES

- Compliance Risks - Investment made to VBS bank
- Human Resource Risks – High staff turnover
- Litigations – Labour disputes

6.4. FRAUD RISKS

The risk of fraud was that the municipality did not have whistle blowing mechanisms in place to enable the witnesses of fraud or corruption to report instances of fraud and corruption.

MANAGEMENT'S ACTION PLAN ON THE AG'S FINDINGS: 2017/18 F/Y

Introduction

The Dr Kenneth Kaunda District Municipality has received a consolidated **Qualified Audit Opinion** for the 2017/1/8 financial year with emphasis of matters, matters concerning pre-determined objectives and non-compliance with laws and regulations. Corrective actions have been developed to address these matters of emphasis raised by the Auditor-General as well as other and regulatory requirements that need corrective action.

The table below highlight the corrective actions to be taken by the Dr Kenneth Kaunda District Municipality to address matters raised by the Auditor-General in the Audit Report.

BASIS FOR QUALIFIED OPINION

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
Expenditure					
3	The municipality did not have adequate systems to maintain records for expenditure on goods and services paid for. This resulted in general expenses being understated by R5 889 367, contracted service being overstated by R22 529 106, transfers and subsidies being understated by R6 193 707, VAT receivable being understated by R1 656 310, receivables	• Lack of human capacity within BTO with specific emphasis on expenditure unit. • The expenditure classification is not properly understood by Employees in the Municipality	• Employees of the municipality should be given additional training on MSCOA with emphasis on vote clarification • Senior Managers in Expenditure section/unit should ensure	• Municipal Manager • Chief Financial Officer	• March 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	from non-exchange transactions being understated by R398 598, and payables from exchange transaction being understated by R4 662 151. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus	• Incorrect classification not in line with the descriptions on the GL and not relating to the transactions related to the vote descriptions (ISS 47,77 classification)	monitoring and provide the necessary guidance to other departments with regard to budget votes classification • Capacity building support to be requested from Provincial Treasury		• January 2019
4	I was unable to obtain sufficient appropriate audit evidence that services were received for payments made to contractors as the information and explanations I considered necessary could not be provided by management. I was unable to confirm these payments classified as contracted services by alternative means. Consequently, I was unable to determine whether any adjustments relating to goods and service of R R43 946 354 (2017: R35 895 418) disclosed in the consolidated and separate statement of financial performance and note 31 to the consolidated and separate statement financial statements were necessary.	• Payment made to service provider differ from contract amounts (ISS 43) • Service provider paid without sufficient supporting evidence (ISS 64 Limitation) • Invoices not completely recorded on the GL (ISS 46 completeness)	• Implementation of contract cards in expenditure to ensure service providers are correctly paid • Template to be developed and given to Service Providers on appointment indicating documents to be submitted with an invoice (supporting docs for payment)	• Manager Office of the Executive Mayor • Municipal Manager • All Directors • CFO	• March 2019 • January 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
		• Lack of internal control relating to record keeping in Expenditure (ISS 44) • Payments of study aid made without sufficient documentation to indicate whether beneficiaries cannot afford to pay for study fees (ISS 52 & 51) • Invoices not made available for Audit purposes (ISS 57 limitation)	• Expenditure files should be properly indexed and signed off by senior person in Finance to ensure all documents are available. • Study aid applications and supporting documents should be revisited as a matter of urgency.	• Senior BTO officials	• January/ March 2019
5	I was unable to obtain sufficient appropriate audit evidence for general expenses as the information and explanations I considered necessary could not be provided by management. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine	• Payment vouchers not checked and signed off by Senior person in Expenditure (ISS 49)	• All senior person's responsible for signing off/check vouchers to sign commitment notices in this regards		• February 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	whether any adjustments relating to general expenses of R31 129 819 disclosed in the consolidated and separate statement of financial performance and note 32 to the consolidated and separate statement financial statements were necessary.	• Transactions of previous years recorded in the current financial year (ISS 45 & 51). The Deputy CFO and CFO to take full responsibility		CFO Deputy CFO	
Irregular Expenditure					
6	Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. I was unable to obtain sufficient appropriate audit evidence for the restated irregular expenditure of R106 672 284 and R101 823 533 incurred in the previous year as documentation to confirm the irregular expenditure disclosed was not provided for audit. The municipality's records did not permit the application of alternative procedures. In addition, the municipality and entity made payments of R3 671 158 and R545 335 in the current year in contravention with the supply chain management requirements and the entity overspent its approved budget by R1 479 285 in contravention of section 87(8) of the	• The prior year irregular expenditure restatement was not corrected on the UIF register before submission to AG • The municipality entered in procurement through Reg. 36 that resulted into irregular expenditure • The municipality entered into Section 32 appointed which has a continuous increase on the irregular expenditure	• The current UIF register be investigated to ensure that all restatements of prior years and recorded ensure that supporting documents are available • The municipality must avoid procurement through Reg. 32 and 36 to be done under exceptional circumstances	• Municipal Manager • Chief Financial Officer • All Directors	• Ongoing

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	MFMA, which were not included in irregular expenditure disclosed in the consolidated and separate financial statements. Consequently, I was unable to determine whether any further adjustment relating to irregular expenditure of R135 095 977 and R130 247 226 (2017: R106 672 284 and R101 823 533), as disclosed in note 47 to the consolidated and separate financial statements was necessary.	register. (contracts coming from prior years)	• The irregular expenditure should investigated and be send to Council for condonement. • Council should establish the relevant Council committee to investigate UIF & W		
Unauthorised, Fruitless and Wasteful Expenditure					
11	As disclosed in note 45 to the consolidated and separate financial statements, unauthorised expenditure of R17 497 853 was incurred in the current year and the unauthorised expenditure of R50 468 921 in respect of prior years had not yet been dealt with in accordance with section 32 of the MFMA.	• Weak monitoring and management of budget • Shifting of funds between departments without following proper procedures. • Lack / weak monitoring of funds by expenditure unit and different departments.	• Control measures to be improved and implemented to ensure that no shifting of funds is done outside the virement policy. • Full implementation of MFMA Circular 68	• CFO • Management • Deputy Director responsible for SCM.	• Request for training done by 31st January 2019. • Ongoing • 28th February 2019
12	As disclosed in note 46 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R205 861 was incurred in				

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	the current year and fruitless and wasteful expenditure of R10 700 729 from prior years had not yet been dealt with in accordance with section 32 of the MFMA.	• Unauthorised, irregular, Fruitless & Wasteful Expenditure reported late in the financial year hampering investigation. • Failure to use proper MSCOA classification due to human capacity constraints. No monthly updates and reporting of the UIF register to the MM to allow time to investigate	• Investigate and submit the report to Council unauthorized expenditure to be authorize through adjustment budget. • Management and Officials to get on-going in house training and also regular updating of UIF&W Register.	• Municipal Manager	• Training done by March 2019 • Ongoing
KPA 1 – Basic service and infrastructure development **KPI 5: Number of municipal health licences issued by June 2018**					
25	The achievement for this indicator reported in the annual performance report was 334. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 401.	• Lack of reconciliation on payments made against certificates issued	• Monthly reconciliation	• Municipal Health & Environmental Services Managers • BTO	• Immediately

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
Strategic planning and performance management					
31	Annual performance objectives and indicators for the Dr Kenneth Kaunda District Municipality Economic Agency SOC Limited were not established by agreement between the municipality and the entity, as required by sections 93B(a) and 93C(a)(iv) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).	• Lack of human knowledge and capacity in the Economic Agency	• Provide support to Economic Agency in developing the Annual Performance Plan in line with relevant legislative prescripts	• Office of the Municipal Manager • CEO	• March 2019
Financial Statements					
32	The separate financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified	• Late submission of information to auditors due to poor record keeping including monitoring. • Human Capacity constraint in Budget & Treasury Office as there was no official to prepare the audit file.	• Controls and monitoring should be implemented over the monthly reconciliations and correctness of transactions. The intensity of the review of the AFS should be increase by involving more hours of internal Audit Unit. • Services of a consultant	• Municipal Manager • Chief Financial Officer • SCM Senior Manager	• June 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	audit opinion.		to be considered were capacity gaps exist. • BTO to progressively develop an Audit file and other Departmental Directors to contribute in-line with requirement relevant to their department.		
Procurement and Contract Management					
33	Awards were made to providers who were in the service of other state institutions, in contravention of section 112(j) of the MFMA and supply chain management (SCM) regulation 44.	• Service providers that does not declares on CSD that they are in services of state	• The municipality must consider to blacklist company found not to comply with the SCM regulations	• Municipal Manager • Chief Financial Officer	• Immediately
34	Some of the quotations were accepted from bidders who had not submitted 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).	• Officials not declare their interest with companies doing business with the municipality	• The expenditure be included in the UIF&W register and be recovered from relevant employees.	• Municipal Manager	• Immediately

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
35	Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).	• Poor planning on critical services resulted that the municipality entered into Reg. 36 procurement.	• No procurement to be done through Reg. 36 if it does not adhered to fully to the requirements.	• Municipal manager	• Immediately.
36	Contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.	• Poor Planning. Procurement was done through Reg. 32 and the documentation of the service provider was in contravention of SCM regulation 43.	• No procurement to be done through Reg. 36 if it does not adhered to fully to the requirements.	• Management. • Deputy Director responsible for SCM.	• Immediately
Human Resource Management					
37	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 MSA.	•Lack of legislative prescripts to guide municipalities on measuring and evaluating performance of staff below Section 56&57	•Matter raised with SALGA to pronounce on Benchmark with municipalities implementing performance management of staff	• Office of the Municipal Manager • Director Corporate Services	• February 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
		Senior Managers	below Section 56&57 Senior Managers • Follow up with SALGA in this matter to assist Municipality in development a PMS for lower levels.		
Expenditure Management					
38	Reasonable steps were not taken to prevent unauthorised expenditure of R17 497 853, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.	• Expenditure does not have the tool or system to identified payment made to person in services of state. • Payments made by expenditure was made and identified during the audit was not disclosed in note 45.	• Unauthorized Expenditure will be investigated and the report will be submitted to Council.	• Office of the Municipal Manager • Internal Audit Unit • BTO	• Immediately • Ongoing
39	Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed in note 47 does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. Most of the disclosed irregular expenditure was caused by non-compliance				

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	with SCM regulations.				
40	Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R157 971, as disclosed in the note 46 to the financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the disclosed fruitless and wasteful expenditure was caused by late payments that resulted in interest payable.	• Shifting of funds between departments without following proper procedures. • Expenditure unit not enforcing controls • Lack of proper monitoring of funds by different departments. • Prior years UIF&W 2011 -2016 taking time to investigate due to reference not easily obtainable. • Council section not yet established to assist with the investigations	• Control measures to be improved, monitored and implemented to ensure that no shifting of funds is done outside the virement policy. • CFO and Directors to take full responsibility for full implementation of MFMA Circular 68 • Council to establish committee to assist with UIF & W investigation • Investigate and submit the report to Council on unauthorized expenditure to authorize through an adjustment budget.	• Municipal Manager • Management • Deputy Director responsible for SCM.	• Immediately • Request for training done by 31st January 2019. • Ongoing • 28th February 2019 • Training done by 1th February 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
		• Lack of mSCOA Classification	• Management and Senior Officials to receive training on how to avoid and also deal with UIF & W. • Regular updating of UIFW Register.		• Ongoing
Assets Management					
41	Funds were invested with a mutual bank not registered in terms of the Banks Act, 1990 (Act No. 94 of 1990), in contravention of the municipality's investment policy and regulations 3(3) and 6 of the Municipal Investment Regulations.	• Investment made to an institution that is in contravention with Municipal Investment Regulation.	• To adhere to the Investment Regulation	• Municipal Manager • Chief Financial Officer	• Immediately
42	Capital assets were permanently disposed of without the approval of the council, as required by section 14(2)(a) of the MFMA.	• Assets could not be verified during the asset verification process.	• Item with full details of disposed off assets be submitted to Council to dispose the assets in line with the Asset management Policy	• Chief Financial Officer	• Immediately

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
Consequence Management					
43	The unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.	• Lack of consequence management	• Management will be held responsible for UIFW expenditure in their department. Section 32 committee will be established to investigate so that consequences management is applied where necessary.	• Council • Municipal Manager	• Immediately
Internal Control Deficiencies					
48	I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on	• Lack of stability in the finance department leadership had a negative impact in monitoring and ensuring controls.	• Bring stability by fast-tracking appointment of the CFO and secondment fro office of the MEC until appointment is made. • Filling in critical vacant BTO posts	• Council • Municipal Manager	• 3rd quarter of 2017/18

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	compliance with legislation included in this report.				
	Leadership did not adequately exercise oversight of financial and performance reporting and compliance with legislation. In addition, they did not have sufficient monitoring controls to ensure that financial and performance reports submitted for audit were accurate and complete.	• Lack of stability at senior management level of the municipality	• Finalization of top structure re-configuration • Recruitment of senior managers fast racked	• Municipal manager • Senior managers	• February /March 2019
	Senior management did not implement adequate control disciplines over financial and performance reporting and compliance with key legislation. There was a lack of a proper records management system that could support the information reported in the financial statements and performance report, with the result that material errors and omissions were identified during the audit process.	• Lack of proper Records Classification System for Financial records.	• A Records Control Schedule has been developed to address those records that are not included in the normal File Plan such as Financial and HR. The schedule will be implemented after approval and a workshop will be held.	• DCS	• End April 2019

Par. No.	FINDING	ROOT CAUSE	DRKKDM CORRECTIVE ACTION	RESPONSIBLE PERSON	TIMELINE
	The audit committee and internal audit unit had limited impact in ensuring the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations. These structures failed to effectively monitor and review the implementation of action plans to address prior year findings resulting in numerous repeat findings. This is due to the audit committee not effectively functioning throughout the year and the internal audit failing to execute its responsibilities toward the entity to identify internal control deficiencies and make recommendations for corrective action by management.	• The Audit Committee was no full functional (meeting postponed from time to time) • Internal audit Human Capacity over stretched shared services with Maquassi Hills and Economic Agency	• New Audit committee has been appointed in August 2018. • Recruitment of Internal Audit Executive to be prioritized • Recruitment of a Risk coordinator also to be prioritized	• Council • Municipal Manager	• April 2019

These commitments/corrective measures derived from the Audit Report will be followed up on an ongoing basis and will include findings emanating from the Management Letter. Management has a scheduled Operation Clean Audit (OPCA) committee seating on a weekly basis which consists of Management Team and extended invitation to external Sector Departments to accomplishment.

The Internal Audit Unit is involved in auditing the progress on the completed Management Letter Action Plan and assisting the departments to sustain the internal controls in place.

APPENDICES

Appendix A1: NEW LEADERSHIP

No.	Council Members	Positions	Directly/ Indirectly elected
1	Cllr Alderman Barei Elizabeth Mosiane-Segotso	Executive Mayor	Direct
2	Cllr Diketso Patric Masiu	Speaker	Direct
3	Cllr Ntombi Margaret Koloti	Single Whip	Direct
4	Cllr Nombuyiselo Gladys Adoons	MPAC Chairperson	Direct
5	Cllr Mbulelo Zephe	MMC Finance	Direct
6	Cllr Mametlholo Martha Mojahi	MMC: Corporate Services	Direct
7	Cllr Magogodi Innocentia Martins	MMC: Community Services	Direct
8	Cllr Zanele Ezekiel Mphafudi	MMC: Sports, Arts and Culture	Direct
9	Cllr Hazel Hntombenhle Mbele	MMC: District Economic Development	Direct
10	Cllr Shorty Paul Valipathwa	MMC: Infrastructure and Development	JB Marks
11	Cllr Christiaan Johannes Bester	Part-Time Cllr	Matlosana
12	Cllr Francois Jacobus Botha	Part-Time Cllr	Direct
13	Cllr Beatrice Aletta Sussana Campbell-Cloete	Part-Time Cllr	Direct
14	Cllr Cornelius Johannes Coetzer	Part-Time Cllr	JB Marks
15	Cllr Lucia Lerato Cutswa	Part-Time Cllr	Matlosana
16	Cllr Linah Nokhuthazo Dayiya	Part-Time Cllr	Direct
17	Cllr Meisie Ntwelekazi Ntuli	Part-Time Cllr	Maquassi Hills
18	Cllr Stephanus Franszouis Du Toit	Part-Time Cllr	JB Marks
19	Cllr Ignatius Michael Groenewald	Part-Time Cllr	Matlosana
20	Cllr Dathini Gwili	Part-Time Cllr	JB Marks
21	Cllr Lebenya Mpolokeng Kortjas	Part-Time Cllr	Matlosana
22	Cllr Johannes Jacobus Le Grange	Part-Time Cllr	Matlosana
23	Cllr Pule Zachariah Lesomo	Part-Time Cllr	JB Marks
24	Cllr Sadi Victoria Letshwiti	Part-Time Cllr	Direct
25	Cllr Andries Olebogeng Putiyagae	Part-Time Cllr	Maquassi Hills
26	Cllr Stella Lebohang Mondlane	Part-Time Cllr	Matlosana
27	Cllr Seitisho Lizzy Moremi	Part-Time Cllr	Matlosana
28	Cllr Peter Morulane	Part-Time Cllr	NW 405
29	Cllr Glen Mosenogi	Part-Time Cllr	NW 405
30	Cllr Willem Andries Mostert	Part-Time Cllr	Direct
31	Cllr Lawrence Siamisang Motlhoiwa	Part-Time Cllr	Direct
32	Cllr Aletta Serame Motladile	Part-Time Cllr	JB Marks
33	Cllr Khayalethu Ndincede	Part-Time Cllr	Matlosana
34	Cllr Elizabeth Maria Postma	Part-Time Cllr	Matlosana
35	Cllr Happy Frans Saudi	Part-Time Cllr	Matlosana
36	Cllr Lesego Sylvia Tatabang	Part-Time Cllr	Maquassi Hills
37	Cllr Bongiwe Tsabedze	Part-Time Cllr	Matlosana
38	Cllr Karina Lizette Van Zyl	Part-Time Cllr	Direct
39	*Cllr Sannana Daniel Montoedi* ***(resigned)***	*Part-Time Cllr*	Matlosana
40	*Cllr Lentikile Koos Shuping* ***(resigned)***	*Part-Time Cllr*	Matlosana

Appendix A2: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

No:	Council Members	Full Time Part Time FT / PT	Ward or Proportional Representative / PR	Percentage Council Meetings Attendance	Percentage Apologies for Non-Attendance
1	Masiu DP	Full-time	PR	93%	7%
2	Koloti NM	Full-time	PR	71%	29%
3	Mosiane-Segotso BE	Full-time	PR	100%	-
4	Adoons NG	Full-time	PR	93%	7%
5	Martins MI	Full-time	PR	86%	14%
6	Mbele HN	Full-time	PR	86%	14%
7	Mojahi MM	Full-time	PR	93%	7%
8	Mphafudi ZE	Full-time	PR	86%	14%
9	Valipathwa SP	Full-time	Ward Cllr	71%	29%
10	Zephe M	Full-time	PR	86%	14%
11	Bester CJ	Part-time	Ward Cllr	93%	7%
12	Botha FJ	Full-time	PR	71%	29%
13	Campbell-Cloete BAS	Full-time	PR	64%	36%
14	Coetzer CJ	Part-time	Ward Cllr	71%	29%
15	Cutswa LL	Part-time	Ward Cllr	86%	14%
16	Dayiya LN	Full-time	PR	57%	43%
17	Dintwe IR	Part-time	Ward Cllr	75%	25%
18	Du Toit SF	Part-time	PR	64%	36%
19	Groenewald IM	Part-time	PR	100%	-
20	Gwili D	Part-time	PR	93%	7%
21	Kortjaas LM	Part-time	PR	79%	21%
22	Le Grange JJ	Part-time	Ward Cllr	86%	14%
23	Lesomo PZ	Part-time	PR	100%	-
24	Letshwiti SV	Full-time	PR	50%	50%
25	Mohoemang AG	Part-time	PR	100%	-
26	Mokgabi PT	Part-time	PR	63%	37%
27	Mondlana SL	Part-time	PR	79%	21%
28	Moremi SL	Part-time	PR	71%	29%
29	Morulane P	Part-time	PR	14%	86%
30	Mosenogi G	Part-time	PR	71%	29%
31	Mostert WA	Full-time	PR	79%	21%
32	Mosweu ME	Part-time	PR	79%	21%
33	Motladiile AS	Part-time	Ward Cllr	79%	21%
34	Motlhoiwa LS	Full-time	PR	86%	14%
35	Ndicende K	Part-time	Ward Cllr	93%	7%
36	Postma EM	Part-time	Ward Cllr	93%	7%
37	Saudi HF	Part-time	Ward Cllr	86%	14%
38	Tatabang LS	Part-time	PR	79%	21%
39	Tsabedze B	Part-time	PR	86%	14%
40	Van Zyl KL	Full-time	PR	86%	14%

Appendix A3 PORTFOLIO COMMITTEES

CORPORATE SERVICES PORTFOLIO COMMITTEE Tuesdays @ 09h00		COMMUNITY SERVICES PORTFOLIO COMMITTEE Tuesdays @ 11h00		INFRASTRUCTURE PORTFOLIO COMMITTEE Tuesdays @ 14h00	
1.	**M.M. Mojahi – Chairperson**	**1.**	**M.I. Martins - Chairperson**	**1.**	**S.P. Valipathwa - Chairperson**
2.	B. Tsabedze	2.	L.S. Tatabang	2.	B. Tsabedze
3.	S.L. Moremi	3.	P.Z. Lesomo	3.	S.L. Moremi
4.	A.S. Motladiile	4.	A.S. Motladiile	4.	A.S. Motladiile
5.	N.B. Phutiyagae	5.	L.L. Cutswa	5.	C.J. Bester
6.	L.L. Cutswa	6.	K.L. Van Zyl	6.	J.J. Le Grange
7.	G. Mosenogi	7.	P. Morulane	7.	M.E. Mosweu
8.	W.A. Mostert	8.	M.I. Groenewald	8.	P.Z. Lesomo
9.	M.E. Mosweu	9.	N.B. Phutiyagae	9.	S.F. Du Toit
10.	S.F. Du Toit	10.	G.A. Mohoemang	10.	I.M. Groenewald
11.	G.A. Mohoemang	11.	L.M. Lebenya-Kortjaas	11.	P. Morulane
FINANCE PORTFOLIO COMMITTEE Wednesdays @ 09h00		**DISTRICT ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE Wednesday @ 11h00**		**SPORTS, ARTS AND CULTURE PORTFOLIO COMMITTEE Wednesday @ 11h00**	
1.	**M. Zephe - Chairperson**	**1.**	**H.N. Mbele - Chairperson**	1.	**Z.E. Mphafudi – Chairperson**
2.	L.M. Lebenya-Kortjaas	2.	A.S. Motladiile	2.	A.S. Motladiile
3.	L.S. Tatabang	3	. L.M. Lebenya-Kortjaas	3.	L.M. Lebenya-Kortjaas
4.	P.Z. Lesomo	4.	N.B. Phutiyagae	4.	N.B. Phutiyagae
5.	A.S. Motladiile	5.	P.Z. Lesomo	5.	P.Z. Lesomo
6.	L.L. Cutswa	6.	L.S. Tatabang	6.	L.S. Tatabang
7.	J.J. Le Grange	7.	G. Mosenogi	7.	G. Mosenogi
8.	C.J. Bester	8.	B.A.S. Campbell-Cloete	8.	B.A.S. Campbell-Cloete
9.	P. Morulane	9.	S.V. Letshwiti	9.	S.V. Letshwiti
10.	N.B. Phutiyagae	10.	L.L. Cutswa	10.	I.M. Groenewald
11.	I.M. Groenewald	11.	I.M. Groenewald	11.	G.A. Mohoemang
		12.	G.A. Mohoemang		

Appendix A4: MPAC COMMITTEE MEMBERS

1. **NG Adoons: Chairperson**
2. FJ Botha
3. CJ Coetzer
4. LN Dayiya
5. MN Ntuli
6. D Gwili
7. K Ndincede
8. EM Postma
9. HF Saudi
10. SL Mondlane
11. LS Motlhoiwa

VOLUME I: FINANCIAL REPORTING

AUDITED FINANCIAL STATEMENTS

Dr Kenneth Kaunda District Municipality

Financial statements

for the year ended 30 June 2018

Auditor General of South Africa

Registered Auditor

General Information

Mayoral committee

Executive Mayor	Alderman BE Mosiane-Segotso
Mayoral committee	DP Masiu (Speaker)
	NM Koloti (Single whip)
	MM Mohaji (Corporate services and administration)
	ZE Mphafudi (Sports, Arts and Culture)
	SP Valiphathwa (Public Works and Transport)
	M Zephe (Financial Services)
	MI Martins (Health and Social Services & Disaster Risk Management)
	HN Mbele (District Economic Development)
	NG Adoons(Chairperson MPAC)

Part - Time Councillors

CJ Coetzer
IM Groenewald
EM Postma
D Gwili
B Tsbedze
HF Saudi
LM Lebenuya - kortjas
LL Cutswa
SL Moremi
SL Mondlane
K Ncincede
JJ Le Grange
CJ Bester
ME Mosweu
AS Motladile
PZ Lesomo
G Mosegnogi
P Morulane
SF Du Toit
PT Mokgabi (till 7 June 2018)
IR Dintwe (till 7 June 2018)
LS Mokgalagadi
GA Mohoemang
MN Ntuli (From 7 June 2018)
AO Phutiyagae (From 7 June 2018)

Directly Elected Councillors

KL van Zyl
LS Motlhoiwa
BAS Cambell-Cloete
WA Mostert
LN Dayiya
SV Letshwiti
FJ Botha

General Information

Acting Chief Finance Officer (Acting CFO)	J Brown
Accounting Officer	M Lesupi - Municipal Manager

General Information

Registered office	Civic Centre Patmore Road Orkney 2620
Business address	Civic Centre Patmore Road Orkney 2620
Postal address	Private bag X5017 Klerksdorp 2570
Bankers	ABSA Ltd
Auditor	Auditor General of South Africa Registered Auditors
Published	30 September 2018
Jurisdiction	Dr Kenneth Kaunda District Municipality includes the following areas: JB Marks local Municipality Matlosana Municipality Maquassi Hills Municipality
Relevant legislation	Municipal Finance Management Act No. 56 of 2003 Division of Revenue Act The Income Tax Act of South Africa Value Added Tax Act of South Africa Municipal Structures Act No. 117 of 1998 Municipal Systems Act No. 32 of 2000 Municipal Planning and Performance Management Regulations Water Services Act No.108 of 1997 Housing Act No. 107 of 1997 Municipal Property Rates Act No.6 of 2004 Electricity Act No. 41 of 1987 Skills Development Levies Act No. 9 of 1999 Employment Equity Act No. 55 of 1998 Unemployment Insurance Act No. 55 of 1966 Basic Conditions of Employment Act No. 75 of 1997 Supply Chain Management Regulations, 2005 SALGA Collective Agreements SALBC Leave Regulations
Grading of Municipal Council	Grade 4: Determination of Upper Limits Grade 10: Bargaining Council

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CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the MFMA no 56 OF 2003 as amended, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the group 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 responsible for reporting on the fair presentation of the financial statements.

The financial statements have been prepared in accordance with generally recognised accounting practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

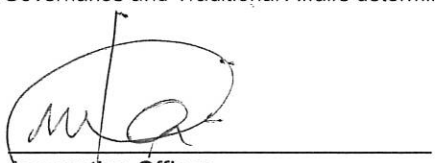
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or loss 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group . While operating risk cannot be fully eliminated, the group 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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

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

I certify that the salaries, allowances and benefits of Councillors and payments as disclosed in the statements are within the upper limits of the framework envisaged in Section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Officer Bearers Act, No. 20 of 1998 and the Minister of Cooperate Governance and Traditional Affairs determination in accordance with this Act.



Accounting Officer
S.M. Lesupi

Accounting officer's report

The accounting officer submits her report for the year ended 30 June 2018.

1. Review of activities

Main business and operations

The municipality is engaged in service delivery and operates principally in South Africa.

Net deficit of the Group was R 3 846 305 (2017: surplus R 3 430 929).

2. Going concern

We draw attention to the fact that at 30 June 2018, the group had an accumulated surplus of R 11 005 484 and that the group's total assets exceed its liabilities by R 11 005 484.

The 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 group to continue as a going concern is dependent on a number of factors. It is highlighted that the municipality's assets exceed the liabilities of the municipality. The municipality prepared the financial statements under the going concern basis, based on the presumption that it receives grant funding from Government to ensure the settlement of liabilities as they become due.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

The financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Accounting Officer

The accounting officer of the group during the year and to the date of this report is as follows:
Name: S Lesupi Nationality: South African

Dr Kenneth Kaunda District Economic Agency 100% Shareholding

Details of the group's investment in subsidiaries are set out in note 4.

6. Auditor

Auditor General of South Africa will continue in office for the next financial period.

7. Non compliance with applicable legislation

Instances of non - compliance with laws and regulations and deviations from prescribed regulations have been identified and disclosed in note 45 , 46, 47 and 49 to the financial statements.

Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	Group 2018	Group 2017	Municipality 2018	Municipality 2017 Restated*
Assets					
Current Assets					
Receivables from non-exchange transactions	8	1 046 521	819 188	1 046 521	819 188
Receivables from exchange transactions	9	824 177	260 108	822 282	257 171
VAT receivable	10	5 986 382	5 712 268	5 986 382	5 712 268
Cash and cash equivalents	11	13 473 810	18 696 934	9 761 418	13 745 146
		21 330 890	**25 488 498**	**17 616 603**	**20 533 773**
Non-Current Assets					
Property, plant and equipment	2	30 479 414	34 382 764	30 165 954	33 968 745
Intangible assets	3	1 558 424	1 607 238	1 558 424	1 607 238
Investments in controlled entities	4	-	-	120	120
Other financial assets	5	-	62 857	-	62 857
		32 037 838	**36 052 859**	**31 724 498**	**35 638 960**
Total Assets		**53 368 728**	**61 541 357**	**49 341 101**	**56 172 733**
Liabilities					
Current Liabilities					
Finance lease obligation	12	48 180	485 391	48 180	485 391
Operating lease liability	34	148 800	3 433	148 800	3 433
Payables from exchange transactions	16	23 152 010	27 229 505	22 583 568	26 805 029
Payables from non exchange transactions	17	856 212	856 212	856 212	856 212
VAT payable	18	2 420 148	2 509 204	-	-
Post retirement medical aid liability	7	243 737	278 710	243 737	278 710
Unspent conditional grants and receipts	13	1 020 892	1 853 956	1 020 892	1 853 956
Long service awards liability	15	423 446	202 139	423 446	202 139
		28 313 425	**33 418 550**	**25 324 835**	**30 484 870**
Non-Current Liabilities					
Post retirement medical aid liability	7	11 046 317	10 683 432	11 046 317	10 683 432
Long service awards liability	15	3 003 502	2 587 590	3 003 502	2 587 590
		14 049 819	**13 271 022**	**14 049 819**	**13 271 022**
Total Liabilities		**42 363 244**	**46 689 572**	**39 374 654**	**43 755 892**
Net Assets		**11 005 484**	**14 851 785**	**9 966 447**	**12 416 841**
Accumulated surplus		11 005 484	14 851 785	**9 966 447**	**12 416 841**

* See Note 41

Statement of Financial Performance

Figures in Rand	Note(s)	Group		Municipality	
		2018	2017 Restated*	2018	2017 Restated*
Revenue					
Revenue from exchange transactions					
Sale of tender documents		29 590	1 895	29 590	1 895
Commissions received		10 590	8 335	10 590	8 335
Other income	19	-	32 250	-	32 250
Licensing and permits		313 490	-	313 490	-
Interest received - investment	20	2 940 970	2 627 666	2 771 556	2 331 126
Gains on disposal of assets		510 363	52 337	510 363	39 442
Dividends received	20	2 250	2 080	2 250	2 080
Total revenue from exchange transactions		**3 807 253**	**2 724 563**	**3 637 839**	**2 415 128**
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	22	179 654 322	174 536 135	179 654 322	174 536 135
In kind benefits received	23	117 480	-	117 480	-
Public contributions and donations	24	-	76 654	-	76 654
Other transfer income		195 319	-	195 319	-
Total revenue from non-exchange transactions		**179 967 121**	**174 612 789**	**179 967 121**	**174 612 789**
Total revenue		**183 774 374**	**177 337 352**	**183 604 960**	**177 027 917**
Expenditure					
Employee related cost	25	(89 595 811)	(84 098 064)	(87 581 740)	(83 018 024)
Remuneration of councillors	26	(9 620 365)	(8 597 537)	(9 620 365)	(8 597 537)
Allowances - board members	27	(297 703)	(489 196)	-	-
Depreciation and amortisation	28	(8 993 748)	(7 295 905)	(8 907 712)	(7 219 082)
Finance costs	29	(848 701)	(421 302)	(848 701)	(421 302)
Debt Impairment	30	(121 331)	(310 984)	(121 331)	(310 984)
Contracted services	31	(43 946 354)	(35 895 418)	(43 519 475)	(35 568 279)
Transfers and Subsidies	21	(2 379 990)	(2 921 479)	(5 379 990)	(5 553 058)
General Expenses	32	(31 129 819)	(34 150 528)	(29 411 603)	(32 097 612)
Total expenditure		**(186 933 822)**	**(174 180 413)**	**(185 390 917)**	**(172 785 878)**
Operating (deficit) surplus		**(3 159 448)**	**3 156 939**	**(1 785 957)**	**4 242 039**
Gains (Loss) on write-off of assets		(1456 277)	(1 177 372)	(1 433 860)	(1 177 372)
Fair value adjustments	33	-	4 226	-	4 226
Actuarial gains/losses	7&15	769 420	1 447 136	769 420	1 447 136
Surplus (Deficit) for the year		**(686 857)**	**273 990**	**(664 440)**	**273 990**
		(3 846 305)	**3 430 929**	**(2 450 397)**	**4 516 029**

* See Note 41

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Municipality		
Opening balance as previously reported	4 196 325	4 196 325
Adjustments		
Prior period errors	1 266 456	1 266 456
Prior period errors - PPE	6 022 604	6 022 604
Prior period errors - Economic Agency	97 214	97 214
Balance at 01 July 2016 as restated*	**11 582 599**	**11 582 599**
Changes in net assets		
Surplus/(Deficit) for the year	3 430 924	3 430 924
Transfer of functions within com mon control	1 515 000	1 515 000
Net income (losses) recognised directly in net assets	4 945 924	4 945 924
Adjustments		
Prior period errors - PPE at cost	(1 676 738)	(1 676 738)
Restated* Balance at 01 July 2017	**14 851 785**	**14 851 785**
Changes in net assets		
Deficit for the year	(3 846 301)	(3 846 301)
Total changes	(3 846 301)	(3 846 301)
Balance at 30 June 2018	**11 005 484**	**11 005 484**
Note(s)		
Municipality		
Opening balance as previously reported	773 490	773 490
Adjustments		
Prior period errors	1 266 456	1 266 456
Prior period errors - PPE	6 022 604	6 022 604
Balance at 01 July 2016 as restated*	**8 062 550**	**8 062 550**
Changes in net assets		
Surplus/(Deficit) for the year	4 516 029	4 516 029
Transfer of functions within common control	1 515 000	1 515 000
Net income (losses) recognised directly in net assets	6 031 029	6 031 029
Adjustments		
Prior period errors - PPE at cost	(1 676 738)	(1 676 738)
Restated* Balance at 01 July 2017	**12 416 841**	**12 416 841**
Changes in net assets		
Surplus/(Deficit) for the year	(2 450 394)	(2 450 394)
Total changes	(2 450 394)	(2 450 394)
Balance at 30 June 2018	**9 966 447**	**9 966 447**

* See Note 41

Cash Flow Statement

Figures in Rand	Note(s)	Group		Municipality	
		2018	2017 Restated*	2018	2017 Restated*
Cash flows from operating activities					
Receipts					
Goverment grants and subsidies		178 821 258	173 716 348	178 821 258	174 982 805
Interest income		2 940 970	2 627 666	2 771 556	2 331 126
Dividends received		2 250	2 080	2 250	2 080
Cash receipts from charges for goods & services		281 317	9 575 922	369 331	10 563 124
		182 045 795	185 922 016	181 964 395	187 879 135
Payments					
Employee costs		(88 078 093)	(83 008 628)	(86 616 609)	(82 607 693)
Remuneration of councillors		(9 620 365)	(9 086 733)	(9 620 365)	(8 597 538)
Suppliers		(38 390 495)	(45 011 644)	(39 744 247)	(44 680 090)
Cash payments to suppliers for goods and contracted services		(44 533 502)	(37 247 768)	(43 328 331)	(39 162 370)
		(182 056 315)	(174 354 773)	(179 309 552)	(175 047 691)
Net cash flows from operating activities	35	**1 423 340**	**11 567 243**	**2 654 843**	**12 831 444**
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(5 854 131)	(2 298 060)	(5 846 238)	(2 155 815)
Proceeds from sale of property, plant and equipment	2	668 738	179 555	668 738	159 700
Purchase of intangible assets	3	(816 521)	(723 305)	(816 521)	(723 305)
Proceeds from sale of other financial assets		77 274	-	77 274	-
Net cash flows from investing activities		**(5 924 640)**	**(2 841 810)**	**(5 916 747)**	**(2 719 420)**
Cash flows from financing activities					
Finance lease payments		(721 824)	(746 274)	(721 824)	(746 278)
Net increase/(decrease) in cash and cash equivalents		**(5 223 124)**	**7 979 159**	**(3 983 728)**	**9 365 746**
Cash and cash equivalents at the beginning of the year		18 696 934	10 717 776	13 745 146	4 379 399
Cash and cash equivalents at the end of the year	11	**13 473 810**	**18 696 935**	**9 761 418**	**13 745 145**

* See Note 41

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Group						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	10 000	-	**10 000**	29 590	**19 590**	More received than budgeted for.
Commissions received	-	-	**-**	10 590	**10 590**	Additional income received for insurance commissions and garnish orders not budgeted for
	-	-	**-**	-	**-**	
Licensing and permits	-	-	**-**	313 490	**313 490**	Newly created income stream. Prior year history not available for budgeting.
Interest received - investment	2 360 000	-	**2 360 000**	2 940 970	**580 970**	Revenue was adjusted during the adjustment budget, but the actuals was more due to the increase in interest rates.
Gains on disposal of assets	-	-	**-**	510 363	**510 363**	Not budgeted for due to uncertainty of what the gains on disposal of assets will be.
Dividends received	-	-	**-**	2 250	**2 250**	Unsure of amounts that will be expected due to market conditions.
Total revenue from exchange transactions	**2 370 000**	**-**	**2 370 000**	**3 807 253**	**1 437 253**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	178 673 000	-	**178 673 000**	179 654 322	**981 322**	Revenue was increased during the adjustment budget that did not realised.
In kind benefits received	-	-	**-**	117 480	**117 480**	Not budgeted for due to that Council entered into a lease n agreement with JB Marks municipality to rent at a minimal fee per year
Other transfer revenue	-	-	**-**	195 319	**195 319**	Not budget for. This was a refund from Provincial government for work done on their behalf.
Total revenue from non-exchange transactions	**178 673 000**	-	**178 673 000**	**179 967 121**	**1 294 121**	
Total revenue	**181 043 000**	-	**181 043 000**	**183 774 374**	**2 731 374**	
Expenditure						
Personnel	(89 714 935)	3 277 100	**(86 437 835)**	(89 595 811)	**(3 157 976)**	This is due to that that the forecasting during the adjustment budget were to low.
Remuneration of councillors	(9 476 900)	-	**(9 476 900)**	(9 620 365)	**(143 465)**	This is not material and in line with the budget.
Board allowances	(501 200)	200 000	**(301 200)**	(297 703)	**3 497**	In line with the budgeted amount.
Depreciation and amortisation	(4 785 476)	(5 976)	**(4 791 452)**	(8 993 748)	**(4 202 296)**	Depreciation increase due to the capitalisation of wi-fi assets not budgeted for.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Impairment loss/ Reversal of impairments	(200 000)	-	**(200 000)**	-	**200 000**	No impairment was done in the year under review.
Finance costs	(10 000)	10 000	**-**	(848 701)	**(848 701)**	Finance cost increase due to the discounting of creditors that Management were not able to budget correctly.
Debt Impairment	-	-	**-**	(121 331)	**(121 331)**	Debt impairment was not budgeted for as it is not known during the budgeted process.
Contracted Services	(38 992 499)	(1 846 654)	**(40 839 153)**	(43 946 354)	**(3 107 201)**	This is basically on legal fees as well as exp on the WI-FI network and on CCTV cameras
Transfers and Subsidies	(5 792 000)	(1 338 136)	**(7 130 136)**	(2 379 990)	**4 750 146**	Expenditure were in line with the budget.
Loss on disposal of assets	(20 000)	-	**(20 000)**	(22 417)	**(2 417)**	Management has no certainty of what the loss on write off of assets will be during the budgeted process.
General expenses	(31 781 695)	(2 486 334)	**(34 268 029)**	(31 129 829)	**3 138 200**	Managment create a saving on general expenses due to the implementation of cost containment measures as approved by Council.
Total expenditure	**(181 274 705)**	**(2 190 000)**	**(183 464 705)**	**(186 956 249)**	**(3 491 544)**	
Operating deficit	**(231 705)**	**(2 190 000)**	**(2 421 705)**	**(3 181 875)**	**(760 170)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Actuarial gains/losses	-	-	-	769 420	**769 420**	Th amount of actuarial gains and losses are not known to Management during the budget process.
Loss on sale of assets	-	-	-	(1 433 860)	**(1 433 860)**	The loss on the sale of non-current assets is not known to Management during the budget process.
	-	-	-	**(664 440)**	**(664 440)**	
Deficit before taxation	**(231 705)**	**(2 190 000)**	**(2 421 705)**	**(3 846 315)**	**(1 424 610)**	
	(9 905 000)	2 200 000	**(7 705 000)**	(6 556 692)	**1 148 308**	Expenditure less than budgeted for as all capital expenditure was mot purchased in the year under review

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Receivables from non-exchange transactions	-	-	**-**	1 046 521	**1 046 521**	Incorrectly budgeted for.
Receivables from exchange transactions	219 072	-	**219 072**	824 177	**605 105**	Actual amount more than budgeted for
VAT receivable	5 482 524	-	**5 482 524**	5 986 382	**503 858**	Not budget correctly in statement of financial position
Cash and cash equivalents	12 466 295	-	**12 466 295**	13 473 810	**1 007 515**	Cash more than budgeted for
	18 167 891	**-**	**18 167 891**	**21 330 890**	**3 162 999**	
Non-Current Assets						
Property, plant and equipment	21 787 294	-	**21 787 294**	30 479 414	**8 692 120**	The value of property , plant & equipment more than budgeted for due to the capitalisation of Wi-fi assets.
Intangible assets	2 004 804	-	**2 004 804**	1 558 424	**-**	The value of intangible assets less than budgeted for due to amortisation of intangible assets.
Non current investments	58 631	-	**58 631**	-	**(58 631)**	Non current investments hold, sold during the year under review.
	23 850 729	**-**	**23 850 729**	**32 037 838**	**8 633 489**	
Total Assets	**42 018 620**	**-**	**42 018 620**	**53 368 728**	**11 796 488**	
Liabilities						
Current Liabilities						
Finance lease obligation	388 313	-	**388 313**	48 181	**(340 132)**	Not budgeted for
Operating lease liability	-	-	**-**	148 800	**148 800**	Not budgeted for
Payables from exchange transactions	12 450 000	-	**12 450 000**	23 152 010	**10 702 010**	Incorrectly budgeted for.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Payables from non - exchange transactions	-	-	-	856 212	**856 212**	Amount not known by Management during the budget process
VAT payable	-	-	-	2 420 148	**2 420 148**	Vat payable regarding the Economic Agency not budgeted for.
Post retirement medical aid liability	496 014	-	**496 014**	243 737	**(252 277)**	Amount not known by Management during the budget process
Unspent conditional grants and receipts	-	-	-	1 020 892	**1 020 892**	Amount not known by Management during the budget process.
Long service awards liability	-	-	-	423 446	**423 446**	Amount not known by Management during the budget process.
	13 334 327	**-**	**13 334 327**	**28 313 426**	**14 979 099**	
Non-Current Liabilities						
Post retirement medical aid liability	11 501 453	-	**11 501 453**	11 046 317	**(455 136)**	Amount not known by Management during the budget process.
Long service awards liability	2 670 377	-	**2 670 377**	3 003 502	**333 125**	Amount not known by Management during the budget process.
	14 171 830	**-**	**14 171 830**	**14 049 819**	**(122 011)**	
Total Liabilities	**27 506 157**	**-**	**27 506 157**	**42 363 245**	**14 857 088**	
Net Assets	**14 512 463**	**-**	**14 512 463**	**11 005 483**	**(3 060 600)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Reserves						
Accumulated surplus	14 512 463	-	**14 512 463**	11 005 483	**(3 506 980)**	Amount not known by Management during the budget process.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Grants and subsidies	178 673 000	-	**178 673 000**	178 821 258	**148 258**	Amount not known by Management during the budget process.
Interest income	2 160 000	-	**2 160 000**	2 940 970	**780 970**	Amount not known by Management during the budget process
Dividends received	-	-	**-**	2 250	**2 250**	Amount not known by Management during the budget process
Cash Receipts from	-	-	**-**	281 317	**281 317**	Amount not known by Management during the budget process.
	180 833 000	**-**	**180 833 000**	**182 045 795**	**1 212 795**	
Payments						
Employee costs	(85 000 000)	-	**(85 000 000)**	(88 078 093)	**(3 078 093)**	Budget in line with actuals.
Suppliers	(10 000 000)	-	**(10 000 000)**	(9 620 365)	**379 635**	Budget in line with actuals.
Finance costs	-	(909 867)	**(909 867)**	-	**909 867**	Amount not known by Management during the budget process
Suppliers	(70 077 927)	(909 867)	**(70 987 794)**	(38 390 495)	**32 597 299**	More budgeted than actuals.
Cash Payments	(5 792 000)	(1 338 136)	**(7 130 136)**	(45 967 362)	**(38 837 226)**	Less budget than actuals
	(170 869 927)	**(3 157 870)**	**(174 027 797)**	**(182 056 315)**	**(8 028 518)**	
Net cash flows from operating activities	**9 963 073**	**(3 157 870)**	**6 805 203**	**(10 520)**	**(6 815 723)**	
Cash flows from investing activities						

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Purchase of property, plant and equipment	(9 905 000)	2 200 000	**(7 705 000)**	(5 854 131)	**1 850 869**	Expenditure less than budgeted for as all capital expenditure was not purchased in the year under review.
Proceeds from disposal of property, plant and equipment	-	-	-	2 102 598	**2 102 598**	Not budgeted for in the cashflow statement.
Purchase of other intangible assets	-	-	-	(816 521)	**(816 521)**	Not budgeted for in the cashflow statement.
Proceeds from sale of financial assets	-	-	-	77 274	**77 274**	Not budgeted for in the cashflow statement.
Net cash flows from investing activities	**(9 905 000)**	**2 200 000**	**(7 705 000)**	**(4 490 780)**	**3 214 220**	
Cash flows from financing activities						
Financ lease payments	-	-	-	721 824	**721 824**	Not budgeted for in cashflow statement.
Net increase/(decrease) in cash and cash equivalents	58 073	(957 870)	**(899 797)**	(5 223 124)	**(3 601 503)**	Amount not known by Management during the budget process
Cash and cash equivalents at the beginning of the year	3 448 222	-	**3 448 222**	18 696 934	**15 248 712**	Amount not known by Management during the budget process
Cash and cash equivalents at the end of the year	**3 506 295**	**(957 870)**	**2 548 425**	**13 473 810**	**11 647 209**	

Accounting Policies

1. Basis of Presentation of Annual Financial Statements

The municipality implemented the Municipal Standard Chart of Accounts (mSCOA) during the year ended 30 June 2018, as required by National Treasury through directives and guidelines issued
The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the MFMA no 56 OF 2003 as amended .
These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the economic entity and rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Consolidation

Basis of consolidation

Consolidated financial statements are the financial statements of the economic entity presented as those of a single entity.

The consolidated financial statements incorporate the financial statements of the controlling entity and all controlled entity, including special purpose entities, which are controlled by the controlling entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The revenue and expenses of a controlled entity are included in the consolidated financial statements from the transfer date or acquisition date as defined in the Standards of GRAP on Transfer of functions between entities under common control or Transfer of functions between entities not under common control. The revenue and expenses of the controlled entity are based on the values of the assets and liabilities recognised in the controlling entity's financial statements at the acquisition date.

The financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated financial statements are prepared as of the same date.

Adjustments are made when necessary to the financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

1.4 Transfer of functions between entities under common control

Definitions

1.4 Transfer of functions between entities under common control (continued)

An acquirer is the economic entity that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another economic entity so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an economic entity's objectives, either by providing economic benefits or service potential.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another economic entity.

A transferor is the economic entity that relinquishes control of a function.

Common control - For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an economic entity's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole economic entity. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- Input: Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it.
- Process: Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs.
- Output: The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.

Identifying the acquirer and transferor

For each transfer of functions between entities under common control an acquirer and transferor are identified. All relevant facts and circumstances are considered in identifying the acquirer and transferor.

The terms and conditions of a transfer of functions undertaken between entities under common control are set out in a binding arrangement. The binding arrangement governing the terms and conditions of a transfer of functions may identify which economic entity to the transaction or event is the transferor(s) and which economic entity is the acquirer. Where the binding arrangement does not clearly identify the acquirer or the transferor, the behaviour or actions of the entities may indicate which economic entity is the acquirer and which economic entity is the transferor.

Determining the acquirer includes a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the transfer date

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

All relevant facts and circumstances are considered in identifying the transfer date.

1.4 Transfer of functions between entities under common control (continued)

Accounting by the entity as acquirer

Initial recognition and measurement

As of the transfer date, the economic entity recognises the purchase consideration paid to the transferor and all the assets acquired and liabilities assumed in a transfer of functions. The assets acquired and liabilities assumed are measured at their carrying amounts.

The consideration paid by the economic entity can be in the form of cash, cash equivalents or other assets. If the consideration paid is in the form of other assets, the economic entity de-recognises such assets on the transfer date at their carrying amounts.

The difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid to the transferor, is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the economic entity reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the economic entity retrospectively adjust the provisional amounts recognised at the transfer date to reflect new information obtained about facts and circumstances that existed as of the transfer date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the economic entity receives the information it was seeking about facts and circumstances that existed as of the transfer date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the transfer date.

After the measurement period ends, the economic entity revises the accounting for a transfer of functions only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Acquisition-related costs

Acquisition-related costs are costs that the economic entity incurs to affect the transfer of functions. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities. The municipality accounts for acquisition-related costs as expenses in the period in which the costs are incurred and the services are received.

Subsequent measurement

The economic entity subsequently measure any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.

Accounting by the entity as transferor

Derecognition of assets transferred and liabilities relinquished

As of the transfer date, the economic entity derecognises from its financial statements, all the assets transferred and liabilities relinquished in a transfer of functions at their carrying amounts.

Until the transfer date, the economic entity continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

1.5 Transfer of functions between entities not under common control

DEFINITIONS

An acquire is the entity and/or the functions that the acquirer obtains control of in a transfer of functions

An acquirer is the entity that obtains control of the acquire or transferor.

Acquisition date on which the acquirer obtain control of the acquiree

1.5 Transfer of functions between entities not under common control (continued)

Recognition principle

As of the acquisition date, the municipality as acquirer recognises, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Measurement principle

The municipality as acquirer measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred (if any)

The municipality as acquirer recognises the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. .

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the municipality as acquirer reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality as acquirer retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the municipality as acquirer also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the municipality as acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the acquisition date.

Subsequent measurement and accounting

In general, an municipality as acquirer subsequently measure and account for assets acquired, liabilities assumed or incurred and the residual interest issued in a transfer of functions in accordance with other applicable Standards of GRAP for those items, depending on their nature.

Contingent liabilities

Contingent assets and liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.6 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

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

The economic entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.6. Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for -sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the economic entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over -the counter derivatives) is determined by using valuation techniques. The economic entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

Impairment testing

The recoverable amounts of cash -generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use for cash generating as well as non- cash generating assets. The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors such as [list economic factors such as exchange rates inflation interest..

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for proprty , plant and equipment. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

The Muncipality obtains actuarial valuations of its defined benefit obligations of the post retirement liabilities and long service awards, It depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 7.

Effective interest rate

The economic entity used the prime interest rate+1% to discount future cash flows.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

2 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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

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

Item	Average useful life
Land	no depreciation
Buildings	25 years
Car parks	30 years
Car ports	10 years
Furniture and office equipment	3 - 5 years
Air conditioners	10 years
Motor vehicles	
Motor cars	4 years

2 **Property, plant and equipment (continued)**

Light commercial vehicles	5 years
Busses	8 years
Office equipment	3 - 5 years
IT equipment	
Computer hardware	3 - 5 years
Infrastructure	
CCTV cameras	5 years
Community	
Other emergency equipment	3 - 5 years
Infrastructure assets	
Telecommunication equipment - WI-FI Assets	5 years
Other property, plant and equipment	
Other property plant & equipment	2 - 5 years
Mobile offices	10 years
Finance leased Assets	
Motor vehicles	3 years

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

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.
The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the note repairs and maintenance to the financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements

The assets capitalised on the finance leases are depreciated over their expected usefull lives on the same basis as PPE controlled by the municipality or, where shorter, the term of the relevant lease if their is no reasonable certainty that the munciplality will obtain ownership by the end of the lease term.
Repairs and maintenance are expenses incurred through servicing equipment or repairing of excisting assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in the statement of financial performace and measured at cost aganst the attributing segments of the muncipal standard chart of accounts (MSCOA).

Accounting Policies

2.1 Intangible assets

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets. The municipality recognises an Intangible Asset in its Statement of Financial Position only 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. 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 economic entity 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 economic entity; and
- the cost or fair value of the asset can be measured reliably.

The economic entity 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.

Repairs and maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly reognised in the Statement of Financial Performance and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

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.

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

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

Computer software, other	3 - 5 years

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

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 is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

2.1 Investments in controlled entities

Group financial statements

In the municipality's separate financial statements, investments in investments in controlled entities are carried .

The municipality applies the same accounting for each category of investment.

The municipality recognises a dividend or similar distribution in surplus or deficit in its separate financial statements when its right to receive the dividend or similar distribution is established.

Investments in controlled entities that are accounted for in accordance with the accounting policy on Financial instruments in the consolidated financial statements, are accounted for in the same way in the controlling entity's separate financial statements.

2.2.1 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.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto

Class	Category
Other financial Assets	Financial asset measured at amortised cost
Short-term Investment Deposits - Call	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non - exchange transactions	Financial asset measured at amortised cost
Non-current assets held for sale	Financial asset measured at amortised cost
Investments in listed shares	Financial asset measured at fair value
Investments in controlled entities	Financial asset measured at cost

The entity has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities Finance lease	Financial liability measured at amortised cost
obligations Operating lease obligations	Financial liability measured at amortised cost
Unspent Conditional Grants Payables	Financial liability measured at amortised cost
from exchange transactions Payables	Financial liability measured at amortised cost
from non-exchange transactions Bank	Financial liability measured at amortised cost
overdraft	Financial liability measured at amortised cost
	Financial liability measured at amortised cost

Initial recognition

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

The municipality 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].

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

2.2.1. Financial instruments (continued)

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an economic entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted when the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.
The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

2.2.1. Financial instruments (continued)

- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

2.3.1 Leases

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

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

The Municipality as lessee

Finance leases: Where the Municipality enters into a finance lease, Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Municipality determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Municipality the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Municipality separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Municipality concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Municipality's incremental borrowing rate.

Operating leases- lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

2.4.1 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

2.4.1. Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:
- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic entity also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash- generating asset is adjusted in future periods to allocate the cash- generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash -generating unit are affected by internal transfer pricing, the economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:
- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

2.4.1. Impairment of cash-generating assets (continued)

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash- generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash -generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:
- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash- generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash -generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash -generating asset is adjusted in future periods to allocate the cash- generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash -generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:
- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non- cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

2.4.3 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash- generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash- generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

2.4.3. Impairment of non-cash-generating assets (continued)

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash- generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash- generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non- cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

2.5.1 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi -employer plans to provide post -employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short- term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

2.5.1. Employee benefits (continued)

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.
The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the Municipality is associated, provide for continued membership.
The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non- transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

2.5.1. Employee benefits (continued)

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long -term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

2.5.1. Employee benefits (continued)

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

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

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post- employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

2.6.1 Provisions, Contingent liabilities and Assets

Provisions are recognised when:

- the economic entity has a present or constructive 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.

Provisions for environmental restoration, rehabilitation, restructuring costs and legal claims are recognised when the municipality has a present legal or constructive obligation as a result of past events, 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 best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision.
Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

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

2.7.1 Revenue from exchange transactions

General

Revenue, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably, except when specifically stated otherwise.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non- exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

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 met:
- The municipality has transferred to the buyer 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.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest and dividends

Revenue arising from the use by others of municipal assets yielding interest 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.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

2,8.1 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Recognition and measurement

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.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

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

Government grants

Government grants are recognised as revenue when:

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

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

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

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

Gifts and donations, including goods in-kind and services 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.

Services in-kind

Except for financial guarantee contracts, the municipality recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related 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.

2,8.1. Revenue from non-exchange transactions (continued)

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

2.9.1 Investment income

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

2.9.1.1 Borrowing costs

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

2.9.2 Comparative figures

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

'With the adoption of mSCOA the municipality reclassified certain balances in order to comply with the instruction notes issued. The result of the reclassification is set out below and in the relevant Notes to the Annual Financial Statements.

2.10.1 Unauthorised expenditure

Unauthorised expenditure means:

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

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

2.10.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

2.10.3 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention with the municipality'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.

2.11.1 Use of Estimates

The preparation of financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the economic entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant sections of the financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

2.12.1 Accumulated surplus

Included in the accumulated surplus are the following reserves:

Capital replacement reserve (CRR)

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash allocated to the CRR can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

"• The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
• Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
• The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
• The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
• The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.
• The Council determines the annual contribution to the CRR.
• If a profit is made on the sale of assets other than land, the profit on these assets is reflected in the Statement of Financial Performance, and is then transferred via the Statement of Changes in Net Assets to the CRR, provided that it is cash backed. Profit on the sale of land is not transferred to the CRR, as it is regarded as revenue

2.13.1 Statutary receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Recognition

The municipality recognises statutory receivables as follows:

if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;

if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

2.13.1. Statutary receivables (continued)

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:interest or other charges that may have accrued on the receivable (where applicable); impairment losses; and a mounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by- laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent;

it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation;

a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied); and

adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

2.13.1. Statutary receivables (continued)

The municipality derecognises a statutory receivable, or a part thereof, when:the rights to the cash flows from the receivable are settled, expire or are waived;the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality derecognises the receivable; and recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

2.14.1 Budget information

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

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

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

2.15.1 Related parties

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

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

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

2.16.1 Value Added Tax

The Municipality is registered with SARS for VAT on the payment basis , in accordance with the Section 15(2)(a) of the Value- Added Tax Act no 89 of 1991.

2.17.1 Commitments

Items are classified as commitments when the municipality has committed itself to future capital 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

Accounting Policies

Contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded

1.1 Changes in accounting policy

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to note 48 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

'With the adoption of mSCOA the municipality reclassified certain balances in order to comply with the instruction notes issued. The result of the reclassification is set out below and in the relevant Notes to the Annual Financial Statements.

Notes to the Financial Statements

	Group		Municipality	
Figures in Rand	2018	2017	2018	2017

1. New standards and interpretations

1.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Grap 20: Related party disclosures	No effective date determine	Unlikely there will be a material impact
Grap 32: Service consession arrangement: grantor	No effective date determine	Unlikely there will be a material impact
Grap 108: Statutary receivables	No effective date determine	Unlikely there will be a material impact
Grap 109: Accounting by principles and agents	No effective date determine	Unlikely there will be a material impact
Grap 18: Segment reporting	No effective date determine	Unlikely there will be a material impact
IGrap 17: Intrepretation of service consession arrangements	No effective date determine	Unlikely there will be a material impact

	Group		Municipality	
Figures in Rand	2018	2017	2018	2017

2. Property, plant and equipment

Group	2018			2017		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 278 500	-	1 278 500	1 278 500	-	1 278 500
Furniture and office equipment	6 979 802	(4 376 996)	2 602 806	8 948 689	(5 176 240)	3 772 449
Transport assets	9 769 387	(4 137 151)	5 632 236	11 304 690	(3 884 419)	7 420 271
Computer equipment	3 810 252	(2 250 978)	1 559 274	4 577 116	(2 352 134)	2 224 982
Infrastructure assets	21 556 379	(7 461 793)	14 094 586	16 852 602	(3 748 005)	13 104 597
Community Assets	6 158 128	(2 657 405)	3 500 723	6 158 128	(2 411 080)	3 747 048
Machinery & equipment	4 568 003	(2 756 714)	1 811 289	4 544 892	(1 709 975)	2 834 917
Total	**54 120 451**	**(23 641 037)**	**30 479 414**	**53 664 617**	**(19 281 853)**	**34 382 764**

Municipality	2018			2017		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 278 500	-	1 278 500	1 278 500	-	1 278 500
Furniture and office equipment	6 523 538	(4 097 900)	2 425 638	8 492 425	(4 939 863)	3 552 562
Transport assets	9 769 387	(4 137 151)	5 632 236	11 304 690	(3 884 419)	7 420 271
Computer equipment	3 615 145	(2 173 107)	1 442 038	4 314 384	(2 257 775)	2 056 609
Community assets	6 158 128	(2 657 405)	3 500 723	6 158 128	(2 411 080)	3 747 048
Machinery & equipment	4 531 790	(2 739 557)	1 792 233	4 507 299	(1 698 140)	2 809 159
Infrastructure assets	21 556 379	(7 461 793)	14 094 586	16 852 602	(3 748 005)	13 104 597
Total	**53 432 867**	**(23 266 913)**	**30 165 954**	**52 908 028**	**(18 939 282)**	**33 968 746**

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance	Additions	Disposals (Cost - Acc depreciation)	Nett transfers	Depreciation	Total
Land	1 278 500	-	-	-	-	1 278 500
Machinery & Equipment	2 834 917	25 600	(368)	-	(1 048 860)	1 811 289
Furniture and office equipment	3 772 448	151 195	(350 445)	-	(970 392)	2 602 806
Transport assets	7 420 271	-	(766 415)	106 066	(1 127 686)	5 632 236
Computer equipment	2 224 982	174 967	(99 788)	-	(740 887)	1 559 274
Community assets	3 747 048	-	-	-	(246 325)	3 500 723
Infrastructural assets	13 104 598	5 396 303	(412 053)	-	(3 994 262)	14 094 586
	34 382 764	**5 748 065**	**(1 629 069)**	**106 066**	**(8 128 412)**	**30 479 414**

Reconciliation of property, plant and equipment - Group - 2017: - Restated

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

2. Property, plant and equipment (continued)

	Opening balance	Additions and work in progress	Disposals	Depreciation	Total
Land	1 278 500	-	-	-	1 278 500
Buildings	3 993 373	-	-	(246 325)	3 747 048
Furniture and fittings	2 863 133	354 715	(1 803)	(530 059)	2 685 986
Motor vehicles	10 139 996	-	(1 261 743)	(1 600 192)	7 278 061
Office equipment	3 848 623	898 815	(38 460)	(1 030 660)	3 678 318
Other emergency equipment	11 228	104 863	-	(8 067)	108 024
Other property, plant and equipment	17 031 679	842 743	(2 584)	(3 227 287)	14 644 551
CCTV Camera's	1 494 796	96 924	-	(209 813)	1 381 907
	40 661 328	**2 298 060**	**(1 304 590)**	**(6 852 403)**	**34 802 395**

Reconciliation of property , plant and equipment - Municipality - 2018

	Opening balance	Additions	Disposals(Cost - Acc Depreciation)	Nett transfers	Depreciation	Total
Land	1 278 500	-	-	-	-	1 278 500
Machinery & equipment	2 809 159	25 600	(89)	-	(1 042 437)	1 792 233
Furniture and Office equipment	3 552 561	151 195	(350 445)	-	(927 673)	2 425 638
Transport assets	7 420 271	-	(766 415)	106 066	(1 127 686)	5 632 236
Computer Equipment	2 056 609	167 073	(77 650)	-	(703 994)	1 442 038
Infrastructural assets	13 104 598	5 396 303	(412 053)	-	(3 994 262)	14 094 586
Community assets	3 747 048	-	-	-	(246 325)	3 500 723
	33 968 746	**5 740 171**	**(1 606 652)**	**106 066**	**(8 042 377)**	**30 165 954**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

2. Property, plant and equipment (continued)

Reconciliation of property , plant and equipment - Municipality - 2017: Restated

	Opening balance	Additions	Disposals	Depreciation	Total
Land	1 278 500	-	-	-	1 278 500
Buildings	3 993 373	-	-	(246 325)	3 747 048
Furniture and office equipment	2 623 731	332 665	(1 654)	(488 643)	2 466 099
Motor vehicles	10 139 996	-	(1 261 743)	(1 600 192)	7 278 061
Office equipment	3 732 469	778 620	(31 649)	(995 253)	3 484 187
CCTV Camera's	1 494 796	96 924	-	(209 813)	1 381 907
Other emergency equipment	11 228	104 863	-	(8 067)	108 024
Other property, plant and equipment	17 031 679	842 743	(2 584)	(3 227 287)	14 644 551
	40 305 772	**2 155 815**	**(1 297 630)**	**(6 775 580)**	**34 388 377**

Reclassification of PPE 2016/2017 according to Mscoa	Carrying value 2017	Correction cost	Correction depreciation	Reclassification cost	Cost per Mscoa	Accumulated depreciation Mscoa
Office buildings	3 747 048	-	2 411 079	(6 158 128)	-	-
Land	1 278 500	-	-	-	1 278 500	-
Emergency equipment	108 024	-	18 543	(126 567)	-	-
Furniture & fittings	2 466 099	(99 916)	2 605 755	(4 971 938)	-	-
Motor vehicles	7 278 061	-	4 045 429	(11 323 490)	-	-
Office equipment	3 484 187	-	3 873 426	(7 357 613)	-	-
Other property, plant & equipment	14 644 551	-	4 531 134	(19 175 685)	-	-
CCTV Camera's	1 381 907	-	1 057 789	(2 439 696)	-	-
Subtotal	34 388 377	(99 916)	18 543 155	(51 553 117)	1 278 500	-
Transport assets	-	-	(3 884 419)	11 304 690	11 304 690	(3 884 419)
Community assets	-	-	(2 411 080)	6 158 128	6 158 128	(2 411 080)
Computer equipment	-	2 999	(2 257 775)	4 311 385	4 314 384	(2 257 775)
Furniture & Office equipment	-	60 966	(4 939 864)	8 431 459	8 492 425	(4 939 864)
Infrastructure	-	-	(3 748 005)	16 852 602	16 852 602	(3 748 005)
Machinery & equipment	-	6 745	(1 698 140)	4 500 554	4 507 299	(1 698 140)
	34 388 377	**(29 206)**	**(396 128)**	**5 701**	**52 908 028**	**(18 939 283)**

The PPE opening balance, additions, depreciation and impairment loss has been restated in the 2016/2017 financial year.(Refer to note 41)

Pledged as security

No assets were pledged as security for liabilities of the municipality.

Impairment loss:
An impairment loss is recognised when the fair value is lower than the carrying value, but it does not exist as a result thereof. It exist due to an impairment indicator that has been identified. Refer to note

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

2. Property, plant and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Machinery & Equipment	6 745	-	6 745	-
Motor vehicles	27 291	398 413	27 291	398 413
Samsung DSC PABX System	-	28 575	-	28 575
	34 036	**426 988**	**34 036**	**426 988**

The municipality's obligation under finance leases are secured by the lessor's title to the lease assets.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

2. Property, plant and equipment (continued)

Details of properties

Land and buildings: Jan van Riebeeck Road, Klerksdorp (T121939/2002)

- Cost / Valuation - buildings	6 158 128	6 158 128	6 158 128	6 158 128
- Cost / Valuation - Land	1 278 500	1 278 500	1 278 500	1 278 500
- Accumulated depreciation	(2 657 405)	(2 411 080)	(2 657 405)	(2 411 080)
Total carrying value at year end	**4 779 223**	**5 025 548**	**4 779 223**	**5 025 548**

Reconciliation of Work-in-Progress 2017

	Included within Community	Total
Opening balance	54 550	54 550
Additions/capital expenditure	220 302	220 302
Transferred of completed projects to local municipalities	(274 852)	(274 852)
	-	-

Description	Tender no	Contract amount	Expenditure till 30 June 2016	Expenditure till 30 June 2017
Fencing of ward committee offices in Kanana	KKDM 13/15	274 852	54 550	220 302

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintainance property, plant and equipment included in Statement of Financial Performance				
Contracted services	710 987	567 699	710 987	567 699
Sale of goods/Inventory	-	183 669	-	183 669
	710 987	**751 368**	**710 987**	**751 368**

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.

3. Intangible assets

Group	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	4 462 898	(2 904 474)	1 558 424	3 646 377	(2 039 139)	1 607 238

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

3. Intangible assets (continued)

Municipality	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	4 462 898	(2 904 474)	1 558 424	3 646 377	(2 039 139)	1 607 238

Reconciliation of intangible assets - Group - 2018

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 607 238	816 521	(865 335)	1 558 424

Reconciliation of intangible assets - Group - 2017

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 328 503	723 305	(443 501)	1 608 307

Reconciliation of intangible assets - Municipality - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	1 607 238	816 521	(865 335)	1 558 424

Reconciliation of intangible assets - Municipality - 2017

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 328 503	723 305	(443 501)	1 608 307

Reclassification of Intangible assets 2016/2017 according to Mscoa	Carrying value	Corrections cost	Correction Depreciation	Reclassifications Cost	Reclassification Cost Mscoa	Reclassification Accumulated depreciation Mscoa
Computer software	1 608 307	-	4 633	(5 702)	3 646 377	(2 039 138)
Subtotal	1 608 307	-	4 633	(5 702)	3 646 377	(2 039 138)
	1 608 307	**-**	**4 633**	**(5 702)**	**3 646 377**	**(2 039 138)**

The intangibles loss has been restated in the 2016/2017 financial year. (Refer to note 41)

Pledged as security

No intangible assets were pledged as security for any liabilities of the municipality

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

4. Investments in controlled entity at cost

Name of company	Held by	% holding 2018	% holding 2017	Carrying amount 2018	Carrying amount 2017
Dr Kenneth Kaunda Economic Agency	Dr Kenneth Kaunda District Municipality	100,00 %	100,00 %	120	120

The municipality has a 100% holding in the Dr Kenneth Kaunda District Municipality Economic Agency.

The value of the investment is considered to be R120.00 (cost price of the investment) as the entity does not have a share capital which can be valued in an open market.

5. Other financial assets

Designated at fair value				
Listed shares Sanlam shares, 970 shares was sold during the year under review.	-	62 857	-	62 857
Non-current assets				
At fair value	-	62 857	-	62 857
Financial assets at cost				
Nominal value of financial assets at cost				
Investment in controlled entity at cost 100% Shareholding in the agency - at cost.	-	-	120	120
Total nominal value of financial assets at cost	**-**	**-**	**120**	**120**
Financial assets at fair value				
Listed shares- Class 1	-	62 857	-	62 857
Methods used to determine fair value is as follow: Fair value are bases on the quoted market price on the Johannesburg stock exhange for this instrument. Sanlam shares closed at a market price in 2017at R64.80 per share.				
		6 600		6 600
Class 3				
Methods used to determine fair value are as follow: Assumptions used in determining fair value with valuation technique.				

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
6. Receivables from non - exchange transactions: Non - current				
Deposits: Eskom	-	1 130 529	-	1 130 529
	-	(1 130 529)	-	(1 130 529)
Total receivables from non-exchange transactions	-	-	-	-
Reconciliation of provision for impairment of receivables from non-exchange transactions				
Opening balance	-	1 130 529	-	1 130 529
Movement in impairment	-	(1 130 529)	-	(1 130 529)
	-	-	-	-

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

7. Employee benefit obligations

Post retirement medical aid benefit liability

Post-Employment Health Care Benefit Liability	11 290 054	10 962 142	11 290 054	10 962 142
Total: Post-Employment Health Care Benefit Liability	**11 290 054**	**10 962 142**	**11 290 054**	**10 962 142**
Less: Transfer to current provisions	(278 710)	(278 710)	(243 737)	(278 710)
Net Post-Employment Health Care Benefit Liability	**11 046 317**	**10 683 432**	**11 046 317**	**10 683 432**

Post retirement medical aid liability

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee. The Municipality operates an unfunded defined benefit plan for these qualifying employees.
The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2018 by Arch Actuarial consulting, a member of the Actuarial Society of South Africa.
The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post retirement benefits are provided by the municipality.

The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

Member category				
In-service (employee) members	95	96	95	96
Continuation (retiree and widow) members	5	6	5	6
	100	**102**	**100**	**102**

The unfunded liability and current - service cost of past service has been estimated to be as follows:

Member category - Unfunded liability				
In-service members	8 054 716	7 173 837	8 054 716	7 173 837
Continuation members	3 235 338	3 788 305	3 235 338	3 788 305
	12 644 639	**10 962 142**	**11 290 054**	**10 962 142**
Current service cost				
Year ending 30 June 2018 (Current period)	669 000	674 358	669 000	674 358
Year ending 30 June 2019 (ensuing period)	685 585	669 000	685 585	669 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes
- Bonitas;
- Hosmed;
- LA Health;
- Key Health;
- Samwumed;
- Fedhealth

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

7. Employee benefit obligations (continued)

The future service cost for the ensuing year is established to be R685 585 whereas the interest-cost for the next year is estimated to be R 1 083 588

The principal assumptions used for the purposes of the actuarial valuations were as follows:				
Discount rate %	9,70	9,80	9,70	9,80
Health Care Cost Inflation Rate %	7,45	8,07	7,45	8,07
Maximum subsidy inflation rate	5,21	5,68	5,21	5,68
Net discount rate - health care cost inflation %	2,09	1,61	2,09	1,61
Continuation of membership at retirement %	90	90	90	90
Proportion assumed married at retirement %	90	90	90	90
Average retirement age	63	63	63	63
Mortaliy during employment	SA 85-90	SA 85-90	SA 85-90	SA 85-90

The movement in the defined benefit obligation over the year is as follows:				
Balance at the beginning of the year	10 962 142	10 679 390	10 962 142	10 679 390
Current service cost	669 000	854 753	669 000	854 753
Interest cost	1 061 461	1 013 023	1 061 461	1 013 023
Benefits paid	(278 710)	(263 581)	(278 710)	(263 581)
Actuarial loss/(gain) on the obligation	(1 078 501)	(1 321 443)	(1 078 501)	(1 321 443)
Subsidy rate change	(45 338)	-	(45 338)	-
Balance at end of year	**11 290 054**	**10 962 142**	**11 290 054**	**10 962 142**

The total liability has increased by 3% (or R 0,328 million) since the last valuation. The reasons are as follows;

In-service members The average in-service member liability has increased by12% since the last valuation : An increase in the average age which means members are closer to retirement which means members are closer to retirement and less likely to leave before retirement, and an increase in the average past past service an increase in the average future employer contribution..
The total in-service member liability has increased by 12% due to the above, partially offset by a decrease in the number of members .

Continuation members
The average continuation member liability has increased by 2% due to the following;
a decrease in the average number of spouse dependants;
an increase in the net discount rate; and
a increase in the average age.
The total continuation member liability has decreased by 15% due to the above being more than offset by the exit of one continuation memebr.
The table below indicates the effect of a 1% per year change in the health care inflation assumption made, the liablility will be 4% higher than that will shown:

Increase of 1%				
Effect on the accrued liability in millions	11 915	11 448	11 915	11 448
	11 915	**11 448**	**11 915**	**11 448**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

7. Employee benefit obligations (continued)

Decrease of 1%				
Effect on the accrued liability in millions	(10 340)	(10 176)	(10 340)	(10 176)
	(10 340)	**(10 176)**	**(10 340)**	**(10 176)**

Multi-Employer Pension Scheme Arrangements

The personnel of the Dr Kenneth Kaunda District Municipality are members of the funds as set out below.The relevant law requires every fund to do an actuarial valuation at least every three years.Sufficient information is not available to make more detailed disclosures.

Municipal Councilors Pension fund. The Municipal Councilors Pension Fund operates as a defined contribution scheme. The scheme is subject to an actuarial valuation every three years. The latest statutory valuation was performed as at 30 June 2015,The valuation performed as at 30 June 2015 revealed that the fund's net assets were R 2,551.9 million (2012: R 1,371.3) with a total of 6,973 members (30 June 2012: 6,839). As at 30 June 2015 the fund showed an excess of R 27.7 million before allowing for reserves and was certified to be in an sound financial condition by the actuaries, Moruba Consultants and Actuaries. The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Gratuity Fund. The defined contribution scheme is a multi-employer plan and the contribution rate payable is 7,5 %, by the members and 22 % by Council.
The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2014. The valuation performed as at 30 June 2014 revealed that the market value of the fund was R17 651 (30 June 2013: 14 565) million. The contribution rate payable (7,50% by the member and 22,00% by the employer), is sufficient to fund the benefits accruing from the fund in the future. The fund was certified to be in sound financial condition as at 30 June 2014..

Municipal Employees Pension Fund. The contribution rate payable is 7,5 % by the members an on average 21,8% by Council. The last Actuarial valuation on this fund was performed in February 2014 certified that the fund is in a sound financial state. The total assets amounts to R 11,660,9 (28 February 2011 : R7,544,2) and liabilities to R11,660,9 (28 February 2011 : R6,991,4) with a total of 16 094 members (28 February 2008 :17,110.

SAMWU Provident Fund. The contribution rate payable is 7,5 % by the members and a minimum of 18 % by Council. The last actuarial valuation on this fund was performed for the year ended 30 June 2008 certified that the fund is in a sound financial state. There are 25,993 members and the total assets amount to R 2,455,947,000.

National Fund for Municipal workers. The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. The contribution rate paid by the members is 9 % and by the council is 22 %. The latest valuation was done on 30 June 2015 (30 June 2014).The statutory valuation performed as at 30 June 2015 revealed that the fund had a surplus of R 41,8 (30 June 2014: R9,3) million, with a funding level of 100,42% (30 June 2014: 100,10%). The contribution rate paid by the members (minimum of 2,00% to 7,00%) and the municipalities (minimum of 2,00% to 7,00%) is sufficient to fund the benefits accruing from the fund in the future. The net assets available for benefits amounts to R 10,050,029,000 as at 30 June 2014 (June 2014: R 9,031,759,000.

Defined Contribution (DC) Multi-Employers Pension scheme

It is the policy of the economic entity to provide retirement benefits to all its employees, GRAP 25 paragraph .55 requires disclosure of the amount recognised as an expense in the current financial year.

The economic entity is under no obligation to cover any unfunded benefits.
The total contributions to such schemes.

	Municipality		Group	
	2018	2017 Restated*	2018	2017 Restated*

7. Employee benefit obligations (continued)

Municipal Councillors Pension Fund - No of members: 11 (2017:12)	614 063	481 317	614 063	481 317
Municipal Gratuity Fund - No of members 47 (2017:46)	3 375 411	3 155 408	3 375 411	3 155 408
National Fund for mun workers- No of members 46 (2017:44)	2 660 712	2 389 834	2 660 712	2 389 834
National Fund for mun workers-No of members for 2% 68 (2017:68)	404 811	375 590	404 811	375 590
SAMWU Provident Fund - No of members: 2 (2017:2)	184 420	171 774	184 420	171 774
The amount recognised as an expense for defined contribution plans is	7 239 417	6 573 923	7 239 417	6 573 923

Defined Contribution (DB) Multi-Employers Pension scheme

The municipality accounts for its Municipal Employees Pension Fund as a multi-employer plan in accordance with GRAP 25.31. This is due to the fact that sufficient information is not available to enable the municipality to account full DB accounting disclosure. The municipality accounts for the plan as a contribution plan.

Municipal Employees PensionFund	1 337 564	1 285 745	1 337 564	1 285 745
The amount recognised as an expense for defined contribution plans	**1 337 564**	**1 285 745**	**1 337 564**	**1 285 745**

The most recently actuarial available valuation was done at 28/02/2011. The funding level of the fund is at 107,92%. The basis key assumptions are as follow: Gross discount rate 9,15%; Salary inflation 10,5%; Net post-ret discount rate 7,4%;
Net post-ret discount rate 3,8%. The current surplus is relatively small and is not expected to have any impact on the required employer discount rate.
The total in-service membership of the MEPF was 10,201 as at 28/02/2011.

The current employer contribution rate is fixed according to the Rules of the MEPF and is not sufficient to cover the required future service cost. The Valuator recommends that the Board of Trustees review the Rules in this respect. The Board proposes that the surplus be used to fund the shortfall in future service contributions. The Valuator further recommends that explicit provision be made in the Rules allowing such action.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

8. Receivables from non-exchange transactions

Prepaid expenses	873 412	795 188	873 412	795 188
Payments on behalf of local councils	410 550	313 984	410 550	313 984
Control accounts	173 109	24 000	173 109	24 000
Less; Allowance for doubtful debts	(410 550)	(313 984)	(410 550)	(313 984)
	1 046 521	**819 188**	**1 046 521**	**819 188**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(313 984)	(3 000)	(313 984)	(3 000)
Provision for impairment	(96 566)	(310 984)	(96 566)	(310 984)
	(410 550)	**(313 984)**	**(410 550)**	**(313 984)**

The effect of discounting on Receivables from non-exchange transactions are deemed to be immaterial for the 2017/2018 financial year.

9. Receivables from exchange transactions

Pre- payments	495	1 537	-	-
Other debtors	776 208	-	776 208	-
Accruals - Interest on call deposits	70 839	257 171	70 839	257 171
Deposits	1 400	1 400	-	-
Less: Allowance for doubtful debt	(24 765)	-	(24 765)	-
	824 177	**260 108**	**822 282**	**257 171**

Other debtors included amounts regarding incorrect VAT calculation done by a service provider

Receivables from exchange transactions past due but not impaired

Receivables from exchange transactions which are past due are not considered to be impaired. At 30 June 2018, R822282 (2017: R257171) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Ageing 90 +days					
Other debtors	At amortised cost	751 443	-	751 443	-
Ageing 30 to 60 days					
Interest - Call investment deposits-	At amortised cost	70 839	257 171	70 839	257 171
Prepayments	At amortised cost	495	1 537	-	-
Deposits	At amortised cost	1 400	1 400	-	-
		824 177	260 108	822 282	257 171

10. VAT receivable

VAT	5 986 382	5 712 268	5 986 382	5 712 268

The municipality is registered on the Payment Basis for VAT and management is of the opinion that the VAT Receivable at year end, reflects the fair value of the amount to be received from SARS.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

11. Cash and cash equivalents

Cash on hand	6 625	8 617	6 600	6 600
Bank balances	7 467 185	8 688 317	3 754 818	3 738 546
Short-term deposits	6 000 000	10 000 000	6 000 000	10 000 000
Cash and cash equivalents	**13 473 810**	**18 696 934**	**9 761 418**	**13 745 146**

Call investment deposits

Call investment deposits are invested with the following banks :

At Amortised Cost				
Call Investment Deposits: ABSA Bank Call deposits invested in ABSA Bank for a period of 1 to 3 months.	-	10 000 000	-	10 000 000
Call Investment Deposits: Nedbank Call deposits invested in Nedbank for a period of 1 to 3 months.	6 000 000	-	6 000 000	-
	6 000 000	**10 000 000**	**6 000 000**	**10 000 000**

Cash and cash equivalents pledged as collateral

No restrictions have been imposed on the municipality in terms of the utilization of its cash and cash equivalents

According to GRAP 104 the value of call investment deposits, bank balances and cash was determined at amortised cost after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.Bank balances, cash and cash equivalents were valued at fair value.

No discounting are performed due to that call investment deposits, bank balances and cash on hand are shown at amortised value.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2018	30 June 2017	30 June 2016	30 June 2018	30 June 2017	30 June 2016
Current Account (Primary Bank Account ABSA Klerksdorp Account no 950 000 627)	4 393 407	2 176 508	4 591 352	2 799 761	1 625 318	2 336 085
Current Account (Local Government Support Grant) ABSA Klerksdorp Account no 405 643 8304	955 057	2 113 228	2 100 253	955 057	2 113 228	2 036 713
Standard Bank - Current account - 030713005	1 974 640	381 458	1 565 566	1 974 640	381 458	1 565 566
Standard Bank - Money market account - 038671867001	1 737 727	4 568 313	4 771 774	1 737 727	4 568 313	4 771 774
Total	**9 060 831**	**9 239 507**	**13 028 945**	**7 467 185**	**8 688 317**	**10 710 138**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
12. Finance lease obligation				
Minimum lease payments due				
- within one year	54 874	508 658	54 874	508 658
	54 874	508 658	54 874	508 658
less: future finance charges	(6 694)	(23 267)	(6 694)	(23 267)
Present value of minimum lease payments	**48 180**	**485 391**	**48 180**	**485 391**
Present value of minimum lease payments due				
- within one year	48 180	485 391	48 180	485 391

The finance lease liability relates to lease of motor vehicles and equipment under finance leases.

The average lease term is 3 years and the average effective borrowing rate is between 9,25% and 16,40%.

Interest rates are fixed at the contract date and no arrangements have been entered into for contingent rent.

The economic entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Local government support grant Rural	955 057	917 748	955 057	917 748
road asset management system Fire	208	936 208	208	936 208
support grant	65 628	-	65 626	-
	1 020 891	**1 853 956**	**1 020 891**	**1 853 956**

The municipality complied with the conditions attached to the grants received to the extend of revenue recognised. Unspent portions of conditional grants are cash backed.

See note 22 for reconciliation of grants from National / Provincial Government.

The prior year amount for unspend grants has been restated due to that the LG Seta mandatory grant which is not regarded as a conditional grant was transfer to revenue Refer to correction of Error See note 41 .

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

14. Provisions

Reconciliation of provisions - Group - 2018

	Opening Balance	Additions	Utilised during the year	Total
Current portion: Post retirement medical aid liability	278 710	189 407	(224 380)	243 737
Current portion: Long service awards liability	202 139	573 098	(351 791)	423 446
	480 849	**762 505**	**(576 171)**	**667 183**

Reconciliation of provisions - Group - 2017

	Opening Balance	Additions	Utilised during the year	Total
Current portion: Post retirement medical aid liability	223 524	318 767	(263 581)	278 710
Current portion: Long service awards liability	234 534	237 847	(270 242)	202 139
	458 058	**556 614**	**(533 823)**	**480 849**

Reconciliation of provisions - Municipality - 2018

	Opening Balance	Additions	Utilised during the year	Total
Current portion: Post retirement medical aid liability	278 710	189 407	(224 380)	243 737
Current portion: Long service awards liability	202 139	573 098	(351 791)	423 446
	480 849	**762 505**	**(576 171)**	**667 183**

Reconciliation of provisions - Municipality - 2017

	Opening Balance	Additions	Utilised during the year	Total
Current portion: Post retirement medical aid liability	223 524	318 767	(263 581)	278 710
Current portion: Long service awards liability	234 534	237 847	(270 242)	202 139
	458 058	**556 614**	**(533 823)**	**480 849**

Post - Employment Health Care Benefits - The outflow is periodic as and when employees retired from service.

Long Service Awards - The outflow is linked to when employees are due for long service awards.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

15. Long service awards liability

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual.

The provision represents a limitation of the awards to which employees in the service of the municipality at 30 June 2018 may become entitled to in future, based on an actuarial valuation performed at that date.
The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at assets at 30 June 2018 by Arch actuarial consulting, a member of the Actuarial Society of South Africa.
The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other long service benefits are provided by the municipality.

The sensitivity analysis indicates that, for example, that if salary inflation is 1% greater than the long-term assumption made, the liability will be 7% higher than the results show.

The salaries used in the valuation include an assumed increase on 1 July 2018 of 7,0% negotiated by SALGA which was budgeted for by the municipality. The next salary increase was assumed to take place in July 2019.

Long service awards liability				
Provision for Long Service Awards	3 426 948	2 789 733	3 426 948	2 789 733
Total Provision for Long Service Awards	**3 426 948**	**2 789 733**	**3 426 948**	**2 789 733**
Less: Transfer to Current Liabilities	(423 446)	(202 143)	(423 446)	(202 143)
Net Long Service Awards liability	**3 003 502**	**2 587 590**	**3 003 502**	**2 587 590**
The principal assumptions used for the purposes of the actuarial valuations were as follows:				
Discount rate %	8,58	8,52	8,5	8,52
General Salary inflation (long-term) %	6,18	6,34	6,1	6,34
Consumer Price Index (CPI)	5,18	5,34	5,18	5,34
Net Effective Discount Rate %	2,26	2,05	2,26	2,05
Average Retirement Age	63	63	63	63
Mortality during employment	SA 85-90	SA 85-90	SA 85-90	SA 85-90
The movement in the long service awards obligation over the year is as follows:				
Balance at beginning of year	2 789 733	2 662 150	2 789 733	2 662 150
Current service cost	301 159	304 928	301 159	304 928
Interest cost	229 118	218 586	229 118	218 586
Benefits paid	(202 143)	(270 238)	(202 143)	(270 238)
Actuarial (gain)/loss on the obligation	309 081	(125 693)	309 081	(125 693)
Balance at end of year	**3 426 948**	**2 789 733**	**3 426 948**	**2 789 733**

The average liability has increased by 21% due to an increase in the average salary and an increase in the average past service, partially offset by an increase in the net discount rate. The total liability has also increased by 23% (or R637,215) due to the above, and because there are two more eligible employees than at the last valuation.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
16. Payables from exchange transactions				
Accounts payables	8 094 958	12 006 079	7 640 548	11 623 636
Retention Creditors	1 596 949	2 783 138	1 596 949	2 783 138
Other Creditors: Accruals-Compensation Commissioner	2 400 445	1 934 081	2 400 445	1 934 081
Staff leave & bonusses	11 058 794	10 506 207	10 944 762	10 464 174
Salary clearing account	864	-	864	-
	23 152 010	**27 229 505**	**22 583 568**	**26 805 029**
17. Payables from non exchange transactions				
Bank reconciliation clearing accounts	856 212	856 212	856 212	856 212
18. VAT payable				
Amounts payable by the Dr Kenneth Kaunda district economic agency	2 420 148	2 509 204	-	-
19. Other revenue				
Other revenue	-	32 250	-	32 250
The amount included in other revenue arising from exchanges of goods or services are as follows:				
Insurance claims	-	23 750	-	23 750
Commission on debit orders	-	8 335	-	8 335
	-	**32 085**	**-**	**32 085**
20. Investment revenue				
Dividend revenue				
Listed financial assets - Local	2 250	2 080	2 250	2 080
Interest revenue				
Investments and call deposits	2 492 288	2 152 831	2 322 874	1 856 291
Bank	448 682	474 835	448 682	474 835
	2 940 970	**2 627 666**	**2 771 556**	**2 331 126**
Total investment revenue	**2 943 220**	**2 629 746**	**2 773 806**	**2 333 206**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

21. Transfers and subsidies

Allocations

Grants paid - Dr Kenneth Kaunda District Municipality	2 418 740	2 552 724	5 418 740	5 184 303
Grants and donations - Ventersdorp	-	336 750	-	336 750
Completed projects transfer to Municipalities	-	54 550	-	54 550
Less:Fair value adjustments - Credit purchases	(38 750)	(22 545)	(38 750)	(22 545)
	2 379 990	**2 921 479**	**5 379 990**	**5 553 058**
Grants and subsidies - Dr Kenneth Kaunda District Municiplity				
Dr Kenneth Kaunda Economic Agency	-	-	3 000 000	2 631 579
Merit Bursaries Community Bursaries	2 285 600	2 552 724	2 285 600	2 552 724
non - employee cost	133 140	-	133 140	-
	2 418 740	**2 552 724**	**5 418 740**	**5 184 303**
Projects - Ventersdorp				
Paupers funerals	-	336 750	-	336 750

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

22. Government grants and subsidies

Equitable share	20 039 000	19 609 000	20 039 000	19 609 000
Other grants and subsidies received	883 656	1 072 200	883 656	1 072 200
LG Seta mandatory grant	97 666	110 143	97 666	110 143
Expanded Public Work Program	1 292 000	1 479 000	1 292 000	1 479 000
Finance management Grant	1 250 000	1 250 000	1 250 000	1 250 000
Levy replacement Grant	153 637 000	149 710 000	153 637 000	149 710 000
Rural road asset management system	2 455 000	1 305 792	2 455 000	1 305 792
	179 654 322	**174 536 135**	**179 654 322**	**174 536 135**

The prior year amount for grant revenue has been restated due to that the LG Seta mandatory grant which is not regarded as a conditional grant and transfer to revenue and LG Seta expenditure which were incorrectly debited against other rants and subsidies received.(Refer to correction of Error See note 41) .

Equitable Share

Current year receipts	20 039 000	19 609 000	20 039 000	19 609 000
	20 039 000	**19 609 000**	**20 039 000**	**19 609 000**

The grant is unconditional and is utilised to fund operational and capital programs of the municipality.

RSC Levy Replacement Grant

Current year receipts	153 637 000	149 710 000	153 637 000	149 710 000
	153 637 000	**149 710 000**	**153 637 000**	**149 710 000**

The grant has replaced the RSC Levies that were collected by District and Metropolitan Municipalities in prior years. These municipalities receives the grant until National Treasury produce the tax instrument that meets conditions of a "fair" tax.
The Grant is utilised to fund the operational and capital programs of the municipality.

Tirelo Bosha grant

Current-year receipts	429 000	1 072 200	429 000	1 072 200
Conditions met - transferred to revenue	(429 000)	(1 072 200)	(429 000)	(1 072 200)
Conditions still to be met- transferred to liabilities	**-**	**-**	**-**	**-**

Conditions still to be met - remain liabilities (see note 13)

Fire support grant

Current-year receipts	520 282	-	520 282	-
Conditions met - transferred to revenue	(454 656)	-	(454 656)	-
Conditions still to be met- transferred to liabilities	**65 626**	**-**	**65 626**	**-**

Conditions still to be met - remain liabilities (see note 13)

LG SETA Mandatory Grant

	Municipality		Group	
	2018	2017 Restated*	2018	2017 Restated*

22. Government grants and subsidies (continued)

Local Government Support Grant

Balance unspent at beginning of year	917 747	1 483 940	917 747	1 483 940
Current-year receipts	37 310	77 763	37 310	77 763
Conditions met - transferred to revenue	-	(643 956)	-	(643 956)
Conditions still to be met- transferred to liabilities	**955 057**	**917 747**	**955 057**	**917 747**

Conditions still to be met - remain liabilities (see note 13)

Finance Management Grant

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	1 250 000	1 250 000	1 250 000	1 250 000
Conditions met - transferred to revenue	(1 250 000)	(1 250 000)	(1 250 000)	(1 250 000)
Conditions still to be met- transferred to liabilities	**-**	**-**	**-**	**-**

Conditions still to be met - remain liabilities (see note 13)

Rural road asset management system

Balance unspent at beginning of year	936 208	-	936 208	-
Current-year receipts	2 455 000	2 242 000	2 455 000	2 242 000
Conditions met - transferred to revenue	(2 455 000)	(1 305 792)	(2 455 000)	(1 305 792)
Transfer back to Nat Treasury	(936 000)	-	(936 000)	-
Conditions still to be met- transferred to liabilities	**208**	**936 208**	**208**	**936 208**

Expanded Public Works Program Grant	1 292 000	1 479 000	1 292 000	1 479 000
Current year receipt	(1 292 000)	(1 479 000)	(1 292 000)	(1 479 000)
Conditions met - transferred to revenue	-	-	-	-

Changes in level of government grants

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

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

23. In kind benefits received

In kind benefits received - rental of buildings	117 480	-	117 480	-

The District Municipality occupied office space from JD Marx municipality for R 100 per month (exl Vat), which is not market related . The market related price per square meter was obtained from an Estate agent in the Jurisdiction area of the JD Marx municipality.

24. Public contributions and donations

Public contributions & donations	-	76 654	-	76 654

Assets donated to the municipality during the 2016/2017 financial year.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

25. Employee related costs

Basic Salaries	57 476 789	52 951 605	55 544 057	51 895 237
Medical aid - Councils' contributions	2 991 167	2 981 761	2 991 167	2 981 761
UIF	250 267	239 684	240 928	233 515
Bargaining Council contributions	11 224	10 099	11 224	10 099
Redemption of Leave	3 434 232	2 885 468	3 362 233	2 867 965
Contribution to leave reserve	-	666 367	-	666 367
Cell Phone Allowances	920 158	893 292	920 158	893 292
Defined contribution plans	1 685 123	1 867 776	1 685 123	1 867 776
Overtime payments	160 410	149 769	160 410	149 769
Post- retirement medical aid contributions	530 277	523 514	530 277	523 514
13th Cheques	3 952 079	3 729 307	3 952 079	3 729 307
Acting allowances	1 585 064	1 226 192	1 585 064	1 226 192
Car allowance	8 199 702	7 473 379	8 199 702	7 473 379
Housing benefits and allowances	394 913	442 862	394 913	442 862
Volunteer stipends	-	548 802	-	548 802
Standby Allowances	92 042	103 519	92 042	103 519
Group Life Insurance - Councils' Contributions	404 811	375 590	404 811	375 590
Pension Fund - Councils' Contributions	7 499 638	7 002 762	7 499 637	7 002 762
Allowances Uniforms	7 915	26 316	7 915	26 316
	89 595 811	**84 098 064**	**87 581 740**	**83 018 024**

The prior year amount for employee related cost has been restated to correctly classified and present the expenditure according to Mscoa. Refer to note 41)

Remuneration of Municipal Manager

Annual Remuneration	682 137	1 123 383	682 137	1 123 383
Car Allowance	-	110 000	-	110 000
Other allowances	11 250	79 750	11 250	79 750
13th Cheque	-	146 715	-	146 715
Acting allowances	78 340	-	78 340	-
Statutory contributions	1 408	187 550	1 408	187 550
	773 135	**1 647 398**	**773 135**	**1 647 398**

T Chanda was appointed as acting Municipal Manager Manager as from 1 June 2017 till 30 Sept 2017. S Lesupi was appointed as Municpal Manager from the 1st Oktober 2017.

Remuneration of Chief Finance Officer

Annual Remuneration	584 955	1 364 590	584 955	1 364 590
Leave sold	217 375	-	217 375	-
Other Allowances	5 250	12 600	5 250	12 600
Acting Allowance	201 546	-	201 546	-
Statutary contributions	25 904	43 667	25 904	43 667
	1 035 030	**1 420 857**	**1 035 030**	**1 420 857**

LJ Mononela was appointed from 01 Jan 2014 till 30 November 2017. M Daffue act as acting CFO from 1Dec 2017 to May 2018 and J Brown was appointed as acting CFO as from 1 June 2018.

Remuneration of Director Corporate Services

Annual Remuneration	1 011 260	936 074	1 011 260	936 074

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
25. Employee related costs (continued)				
Car Allowance	-	180 000	-	180 000
Leave sold	41 029	-	41 029	-
Other allowances	12 600	12 600	12 600	12 600
13th Cheque	161 920	96 695	161 920	96 695
Statutary contributions	68 169	36 726	68 169	36 726
	1 294 978	**1 262 095**	**1 294 978**	**1 262 095**

L Ralegetho was appointed from 01 December 2013 as the Director Corporate Services.

Remuneration of Director Infrastructure

Annual Remuneration	1 309 548	1 294 017	1 309 548	1 294 017
Leave sold	43 396	-	43 396	-
Other allowances	15 000	12 600	15 000	12 600
Acting Allowance	217 796	22 587	217 796	22 587
Statutary contributions	1 877	41 408	1 877	41 408
	1 587 617	**1 370 612**	**1 587 617**	**1 370 612**

T Tshukudu acted from the 1 July 2017 to Feb 2018 as acting director Infrastructure.

Remuneration of Director District Economic Development

Annual Remuneration	1 088 517	1 120 274	1 088 517	1 120 274
Leave sold	143 602	-	143 602	-
Other allowances	11 550	12 600	11 550	12 600
Acting Allowance	26 720	-	26 720	-
13th Cheque	127 339	88 200	127 339	88 200
Cellphone allowance & leave encashment	69 233	39 149	69 233	39 149
	1 466 961	**1 260 223**	**1 466 961**	**1 260 223**

ML Makheta was appointed from 01 February 2014 as Director District Economic Development till 30 May 2018.and W Sokupa was appointed as acting director from 1 June 2018 .

Remuneration of Director Disaster Management

Annual Remuneration	297 008	1 131 728	297 008	1 131 728
Leave sold	102 573	-	102 573	-
Other allowances	3 150	12 600	3 150	12 600
Acting allowance	272 988	-	272 988	-
13th Cheque	54 897	94 109	54 897	94 109
Statutary contributions	469	39 149	469	39 149
	731 085	**1 277 586**	**731 085**	**1 277 586**

SI Lesupi was appointed as dierctor till October 2017. R Lesar act in the position as Director Disaster Management as from 1 Nov 2017.

Remuneration of the Director Environmental Health

Annual Remuneration	-	542 390	-	542 390
	-	8 904	-	8 904
Acting Allowance	348 406	451 570	348 406	451 570

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
25. Employee related costs (continued)				
13th Cheque	-	35 022	-	35 022
Statutary contributions and leave encashment	-	33 845	-	33 845
	348 406	**1 071 731**	**348 406**	**1 071 731**

Mosebi was appointed as acting director as from 1July 2017 and Matlhakola was appointed as from March 2018.

Remuneration of chief executive officer - Dr Kenneth Kaunda Economic Agency

Annual Remuneration	474 463	-	-	-
Travel expenses	44 609	-	-	-
Travel expenses - Acting CEO	43 482	-	-	-
	562 554	**-**	**-**	**-**

26. Remuneration of councillors

Executive Mayor	833 760	823 862	833 760	823 862
Single whip	561 816	616 131	561 816	616 131
Mayoral Committee Members	3 224 621	3 186 968	3 224 621	3 186 968
Speaker	620 897	594 546	620 897	594 546
Councilors	2 947 446	2 118 710	2 947 447	2 118 710
Councilors' pension contribution	849 555	705 544	849 555	705 544
Chairperson MPAC	535 379	551 776	535 379	551 776
Ad hoc subsistence & travel	46 891	-	46 891	-
	9 620 365	**8 597 537**	**9 620 365**	**8 597 537**

Refer to note 40 where details of councillors remuneration are disclosed.

27. Administrative expenditure - Board allowances

Board remuneration	246 025	435 425	-	-
Board travel	50 774	53 771	-	-
Accommodation	904	-	-	-
	297 703	**489 196**	**-**	**-**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

28. Depreciation and amortisation

Property, plant and equipment	8 128 413	6 852 404	8 042 377	6 775 581
Intangible assets	865 335	443 501	865 335	443 501
	8 993 748	**7 295 905**	**8 907 712**	**7 219 082**

Restatement of depreciation regarding correction of depreciatio 2016/2017 for the amount of R 466289.

29. Finance costs

Finance leases	284 613	101 716	284 613	101 716
Fair value adjustments on credit purchases	564 088	319 586	564 088	319 586
	848 701	**421 302**	**848 701**	**421 302**

30. Debt impairment

Contributions / (Reversal) of debt impairment - Non exchange transactions	96 566	310 984	96 566	310 984
Contributions / (Reversal) of debt impairment - Exchange transactions	24 765	-	24 765	-
Net reversal	-	(1 130 529)	-	(1 130 529)
Bad debts written off	-	1 130 529	-	1 130 529
Movement in debt impairment	**121 331**	**310 984**	**121 331**	**310 984**

31. Contracted services

Outsourced services	9 923 052	8 279 281	9 923 052	8 279 281
Consultants and Professional Services	13 625 218	11 609 242	13 198 339	11 282 103
Other contractors	20 711 564	16 015 517	20 711 564	16 015 517
Fair value adjustment - Contracted services	(313 480)	(8 622)	(313 480)	(8 622)
	43 946 354	**35 895 418**	**43 519 475**	**35 568 279**

The prior year amount for contracted services has been restated to correctly classified and present the expenditure according to Mscoa.(Refer to note 41)

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

32. General expenses

Advertising	431 482	677 068	369 310	646 048
Assessment rates & municipal charges	1 303 374	975 612	1 303 374	975 612
EPWP - Skills development & training	2 832 868	1 479 000	2 832 868	1 479 000
Auditors remuneration	3 601 182	3 935 934	3 063 964	3 488 924
Bank charges	132 998	100 409	123 312	92 110
Business expenses councillors and directors	103 873	36 909	103 873	36 909
Compensation Commissioner	466 364	462 209	466 364	462 209
Conferences and seminars	1 338 927	1 373 303	1 309 927	1 364 949
Donations	1 278 280	2 030 439	1 278 280	2 030 439
Entertainment	598 296	938 476	559 118	917 900
Fines and penalties	47 890	8 510	-	-
Events and campaigns	1 713 684	6 100 152	1 713 684	6 100 152
Hire charges	515 286	572 016	515 286	572 016
Implementation cost projects	58 362	1 146 874	-	-
Insurance	816 671	685 099	779 643	649 661
Licence fees - Other	69 774	144 857	59 873	135 832
IT expenses	2 476 209	801 973	2 387 416	780 253
Motor vehicle expenses	1 137 847	1 059 915	1 137 847	1 059 915
Office rentals	3 884 496	2 966 388	3 884 496	2 966 388
In Kind benefit expenses	117 480	-	117 480	-
Municipal public accounts commitee expenses	96 889	98 019	96 889	98 019
Pest control	-	202 856	-	202 856
Postage and courier	430	23 517	-	19 647
Printing and stationery	1 193 398	1 508 353	937 831	1 391 078
Protective clothing	93 450	151 978	93 450	151 978
Skills development levy	676 057	651 698	676 057	651 698
Project maintenance costs	240 955	21 423	-	-
Subscriptions and membership fees	917 155	865 799	917 155	865 799
Accomodation, subsistence and travel	1 612 025	2 192 004	1 453 734	2 071 270
Telephone and fax	1 281 586	852 503	1 227 563	809 625
Skill development training	790 309	1 736 654	710 818	1 736 654
Travel - Municipal events	258 967	189 304	258 967	189 304
Toll road fees	15 952	77 405	15 952	77 405
Consumables	1 239 161	369 430	1 228 931	359 520
Fair value adjustment - Credit purchases	(211 858)	(285 558)	(211 858)	(285 558)
	31 129 819	**34 150 528**	**29 411 604**	**32 097 612**

The prior year amount for general expenditure has been restated to correctly classified and present the expenditure according to Mscoa.(Refer to note 41)

33. Fair value adjustments

Other financial assets - Listed shares: Sanlam				
Other financial assets (Designated as at FV through P&L	-	4 226	-	4 226

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

34. Operating leases

Details of leases - liability				
Lease office space - JD Marx Municipality	-	2 153	-	2 153
Lease office space - Orkney	148 800	-	148 800	-
Lease office space - Ventersdorp	-	1 280	-	1 280
	148 800	**3 433**	**148 800**	**3 433**
Minimum lease payments due				
Within one year	1 584 000	116 007	1 584 000	116 007
In the second to fifth year inclusive	1 742 400	-	1 742 400	-
	3 326 400	**116 007**	**3 326 400**	**116 007**

Lease of Office building: Office building have been leased from the City of Matlosana during the year under review for a infinite period. These rentals are classified as contingent rentals due to the uncertain lease period. The operating lease payments are therefore not subject to straight - lining. Due to the uncertainties above, it is impracticable to disclose the future minimum lease payments expected to be received for each of the following periods as required by GRAP13.
Up to 1 year
Year 2 to 5
More than 5 years

Lease of office building:
The municipality lease office space erf 3423 Orkney from Columbia Falls properties 80 (PTY) LTD
The lease was classified as a operating lease on the following grounds:
1.The Municipality have obtained all the information of the lease installments and expensed it in the Statement of Financial Performance on a straight-line basis.
2.At the inception of the lease the present value of the minimum lease payments amounts not to at least 90% of the fair value of the asset.
3. Columbia Falls properties 80 (PTY) LTD shall insure the building.
4.The agreement was effective from the 1 July 2017 and the period for the lease was 36 months.
5.The monthly lease amount as per the agreement is R120 000 (Excl VAT), a 10% escalation was agreed on in the lease.

Lease of photocopiers:
The municipality lease photocopiers Sharp Seartec trading (PTY) LTD. The lease was classified as a operating lease on the following grounds:
1.The Municipality have obtained all the information of the lease installments and expensed it in the Statement of Financial Performance on a straight-line basis.
2.At the inception of the lease the present value of the minimum lease payments amounts not to at least 90% of the fair value of the asset.
3.Sharp Seartec trading (PTY) LTD shall maintain and service the equipment.
4.The agreement was effected as from 01/08/2014 and the period for the lease was 36 months.
5.The monthly lease amount as per the agreement is R25 398 (Excl VAT). No escalation was agreed on in the lease.

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

Lease of office building - Environmental Health
The municipality lease office space JD Marx municipality.
The lease was classified as a operating lease on the following grounds:
1.The Municipality have obtained all the information of the lease instalments and expensed it in the Statement of Financial Performance on a straight-line basis.
2.At the inception of the lease the present value of the minimum lease payments amounts not to at least 90% of the fair value of the asset.
3.JD Marx municipality shall maintain the building and insure it.
4. The agreement was effective from the January 2018 and the period for the lease is for 60 months up to 30 June 2023.
5.The monthly lease amount as per the agreement is R100 (Excl VAT),no escalation was agreed on in the lease.

Lease of office building - Environmental Health.
The municipality lease office space from Ventersdorp Municipality.
The lease was classified as a operating lease on the following grounds:
1.The Municipality have obtained all the information of the lease instalments and expensed it in the Statement of Financial Performance on a straight-line basis.
2.Ventersdorp Municipality shall maintain and insure the building.
4.The agreement was effective from the 1July 2015 and the period for the lease was 3 years up to 30 June 2018
5.The monthly lease amount as per the agreement is R 1000, a10% escalation was agreed on in the lease.

35. Cash (used in) generated from operations

(Deficit) surplus	(3 846 305)	3 430 929	(2 450 399)	4 516 035
PPE Correction: Additions 2017	-	(895 369)	-	(1 676 738)
PPE Correction; Depreciation 2017	-	-	-	(1 841 606)
Transfer of functions under common control	-	-	-	1 515 000
Adjustments for:				
Depreciation and amortisation	8 993 747	7 295 905	8 907 712	7 219 082
Gain on disposal of assets	(495 946)	(52 337)	(495 946)	(39 442)
Loss on disposal of assets	1 456 277	1 177 372	1 433 860	1 177 372
Provision for leave reserve	552 587	679 105	480 588	692 195
Actuarial gains	(769 420)	(1 447 136)	(769 420)	(1 447 136)
Fair value adjustments - shares	(14 417)	(4 226)	(14 417)	(4 226)
Finance costs - Finance leases	284 613	101 716	284 613	101 716
Impairment losses - Provision for doubtful debt: Exchange transactions	24 765	-	24 765	-
Impairment losses - Provision for doubtful debt: Non exchange transactions	96 566	310 985	96 566	310 985
Movements in operating lease liability	145 367	(137 375)	145 367	(137 375)
Movements in post - retirement medical aid liability and long service awards liability -current	186 334	22 790	186 334	22 790
Movements in post - retirement medical aid liability and long service awards liability - non current	1 548 217	1 834 676	1 548 217	1 834 676
Changes in working capital:				
Receivables from non-exchange transactions	(323 899)	6 679 824	(323 899)	6 679 824
Other receivables from exchange transactions	(588 834)	(86 754)	(589 876)	(105 731)
Payables from exchange transactions	(4 630 078)	(7 613 062)	(4 702 044)	(7 013 813)
VAT	(363 170)	1 182 252	(274 114)	673 431
Payables from non-exchange transactions	-	(15 611)	-	(15 611)
Unspent conditional grants and receipts	(833 064)	(896 441)	(833 064)	370 016
	1 423 340	**11 567 243**	**2 654 843**	**12 831 444**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

36. Financial instruments disclosure

Categories of financial instruments

Municipality - 2018

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	824 177	824 177
Other receivables from non-exchange transactions	1 046 521	1 046 521
Cash and cash equivalents	13 473 810	13 473 810
Investment in controlled entities		120
	15 344 508	**15 344 508**

Financial liabilities

	At amortised cost	Total
Finance lease liabilities	48 180	48 180
Operating leases liabilities	148 800	148 800
Trade and other payables from exchange transactions	23 152 010	23 152 010
Trade and other payables from non-exchange transactions	856 212	856 212
	24 205 202	**24 205 202**

Municipality - 2017

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	260 108	260 108
Other receivables from non-exchange transactions	-	819 188	819 188
Cash and cash equivalents	-	18 696 934	18 696 934
Investment in controlled entities			120
Listed investments	62 857	-	62 857
	62 857	**19 776 230**	**19 839 087**

Financial liabilities

	At amortised cost	Total
Finance lease liabilities	485 391	485 391
Operating leases liabilities	3 433	3 433
Trade and other payables from exchange transactions	27 229 505	27 229 505
Trade and other payables from non-exchange transactions	856 212	856 212
	28 574 541	**28 574 541**

Municipality - 2018

Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	822 282	-	822 282

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
Financial instruments disclosure (continued)				
Other receivables from non-exchange transactions		1 046 521	-	1 046 521
Cash and cash equivalents		9 761 418	-	9 761 418
Investment in controlled entities		-	120	120
		11 630 221	**120**	**11 630 341**

Financial liabilities

	At amortised cost	Total
Finance lease liabilities	48 180	48 180
Operating leases liabilities	148 800	148 800
Trade and other payables from exchange transactions	22 583 568	22 583 568
Trade and other payables (non-exchange)	856 212	856 212
	23 733 120	**23 636 760**

Municipality - 2017

Financial assets

	At fair value	At amortised cost	At cost	Total
Trade and other receivables from exchange transactions	-	257 171	-	257 171
Other receivables from non-exchange transactions	-	819 188	-	819 188
Cash and cash equivalents	-	13 745 146	-	13 745 146
Investment in controlled entities	-	-	120	120
Listed investments	62 857	-	-	62 857
	62 857	**14 821 505**	**120**	**14 884 482**

Financial liabilities

	At amortised cost	Total
Finance lease liabilities	485 391	485 391
Operating lease liabilities	3 433	3 433
Trade and other payables from exchange transactions	26 805 029	26 805 029
Trade and other payables from non - exchange transactions	856 212	856 212
	28 150 065	**28 150 065**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

37. Commitments

Authorised capital expenditure

Total approved and contracted for (VAT exclusive)				
Infrastructure - Other	-	1 926 617	-	1 926 617
Broadband WI-FI	-	5 278 162	-	5 278 162
	-	**7 204 779**	**-**	**7 204 779**
This expenditure will be financed from:				
Own resources	-	7 204 779	-	7 204 779

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

38. Contingencies

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.
Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Disclosure of contingent liabilities and assets

The following contingent liabilities liabilities and assets exist.

	Group		Municipality	
	Group		Municipality	
Figures in Rand	2018	2017	2018	2017
Contingent liabilities				
Batting Development Products against Dr KKDM Background - On 5 May 2011, Batting Development issued summons against DRKKDM wherein an amount of R 5 080 858.33 was claimed. The matter is pending.	5 280 585	5 280 585	5 280 585	5 280 585
Rampedi against Dr KKDM Nature of dispute - Unfair labour practice. Status of case - Arbitration was scheduled for 23 January 2015. The matter is pending. Case no NWD01410:	1 962 097	2 012 097	1 962 097	2 012 097
MB Molefe against Dr KKDM Nature of dispute - Unfair labour practice Status of case - The matters were consolidated and archived pending the outcome of JR 2702/14, Case no JS 577/14 and JS 844/14	660 000	567 000	660 000	567 000
MB Molefe against Dr KKDM An application for leave to appeal has been filed at the labour court Case no JR 2702/2014	660 000	597 000	660 000	597 000

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
38. Contingencies (continued)				
MB Molefe against Dr KKDM On 8 June 2015 the Office of the Legal Manager received summons from the Sheriff Orkney. The Summons were issued by the registrar North Gauteng High Court. The Plaintiff in the matter is Mr. MB Molefe and the 1st respondent is cited as DR. Kenneth Kaunda District Municipality and the 2nd respondent is Matlakala Irene Matthews. The Plaintiff is claiming payment in the sum of R225 099.00 being an amount of pay out of leave days due to the Plaintiff by the 1st respondent as at dismissal 10 July 2014.	575 099	575 099	575 099	575 099
MB Molefe against Dr KKDM Case no 23804/14 On 20 March 2014, The Plaintiff issued summons against the former Executive Mayor, Acting Municipal Manager for damages suffered. The Plaintiff claimed an amount of R4 000 000.00	800 000	800 000	800 000	800 000
Nalko against Dr KKDM The plaintiff (Nalko) has issued summons on 1 June 2018 from the North west High Court, mahikeng against the institution in the amount of R 6 348 625	6 348 626	-	6 348 626	-
MW Asset Rentals (Pty) Ltd against Dr KKDM Background - DRKKDM cancelled the Master Rental Agreement with Bakopane Information Systems CC t/a Toshiba Office systems and Technology. The agreement was entered into during the month of October 2009 and it was for the rental of photocopy machines, printers and faxes. The right of the Master Rental Agreement were then ceded by Toshiba to Merchant West Asset Rentals (MW Rentals). The Auditor General Report for the year end 30 June 2010, indicated that procurement procedures were not properly followed in the appointment of Toshiba. On 27 February 2012 the agreement between DRKKDM and MW rentals was then cancelled due to the fact that the agreement was not valid as proper procurement procedures were not followed. On 2 October 2012 MW Rentals issued summons against DRKKDM wherein an amount of R318 461.07 was claimed.	518 461	518 461	518 461	518 461
CMH / TA First car rental against Dr KKDM Nature of dispute - The summons was issued on 21 June 2016, at the South Gauteng High Court. The Attorneys have filed a notice of intention to defend. The amount claimed is 239 486.33 and a damages claim in the amount of 19 323.33	558 720	558 720	558 720	558 720

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

38. Contingencies (continued)

Contingent Assets

DR KKDM against Amadeka Trading Enterprise CC Various payments were made to Amadeka trading Enterprises totaling to an amount of R883 693.30. Amadeka Trading had not rendered any services to DRKKDM in order to justify the above mentioned payments Various payments were made to Amadeka trading Enterprises totaling to an amount of R883 693.30. On 5 November 2013, summons were against Amadeka Trading and amount of R883 639.30. Amount requested: R 883 639	883 639	883 639	883 639	883 639
Dr KKDM against Bareng Rasego Trading Enterprise Status date: Various payments were made to Bareng Resego totaling to an amount of R538 830.00. The company had not rendered any services to DRKKDM in order to justify the above mentioned payments made. Amount requested: R 538 830	538 830	538 830	538 830	538 830
DR KKDM against Kumekucha Investments CC Status: On 26 March 2010 a cheque was issued and drawn on the bank account of Dr Kenneth Kaunda District Municipality (DRKKDM) in the amount of R550 000.00 in favour of Kumekucha Investments as remuneration for allegedly supplying the DRKKDM with a feasibility study on loan and Projects report. However Kumekucha Investments never supplied any goods or services to DRKKDM. Amount requested : R 550 000	550 000	550 000	550 000	550 000
DR KKDM against Big Break legacy Project team Status date: Letter of demand was served on Dual point media to recover monies paid over to the company for the production of the Big Break Legacy Season 3. Estimated amount to received by the municipality is R 10 000 000.00	10 000 000	10 000 000	10 000 000	10 000 000

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

39. Related parties

Relationships	
Controlled entity	Dr Kenneth Kaunda District Economic Agency (Note 4)
Post retirement employment benefit plan for employees of the municipality and/or other related parties	Refer to note 7
Members of Council	Refer to General Information page to the financial statements
Members of Key Management	S Lesupi - Municipal Manager as from 1st October 2017: T Chanda - Acting Municipal Manager from July 2017 - Sept 2017 J Mononela - CFO resigned 30 November 2017; MB Daffue acting CFO from 1Nov 2017 - 30 May 2018; J Brown acting CFO from 1 June 2018 L Ralegetho - Director Corporate Services T Chanda - Director Infrastructure till 31 May 2017: T Tshukudu - Acting Director Infrastructure from 1 July 2017 to Feb 2018 R Lesar- Acting Director Disaster Management as from 1 March 2017 till 30 June 2018 ML Makheta - Director District Economic Development resigned 30 May 2018; W Sukupa acted from 1 June 2018 Mosebi - Acting Director Health Services as from 1 July 2017 till 31 Jan 2018; Matlhakola acted from Feb 2018

Related party balances

Investment		
Dr Kenneth Kaunda Economic Agency	120	120

Related party transactions

Grants paid to the Dr Kenneth Kaunda District economic agency regarding projects for the financial year not deemed to be related party transactions and as such not been disclosed.
Services received paid in kind to Dr Kenneth Kaunda District economic agency related to rental of office space paid. The entity did not pay any rent during the course of this year as the entity's offices are located at the Disaster Management Centre which form part of the parent municipality's property. The rental of similar property would have been approximately R 12 650 (2017; R 11,500) per month.

Service in kind revenue received from from JB Marks municipality to the value of R 117 480. Service in kind expense with regards to the benefit consumed amounted to R 117 480.

Key management information

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

39. Related parties (continued)

Class	Description	Number
Executive Mayor	Executive Authority	1
Members of Mayoral Committee	Executive Authority	6
Single whip	Executive Authority	1
Chairperson MPAC	Executive Authority	1
Speaker	Executive Authority	1
Councillors (part - time and directly elected	Executive Authority	31
Non-executive board members	Executive Authority	6
Municipal Managers	Key Management / Accounting Officer	1
CEO - Agency	Key Management / Accounting Officer	1
Executive management members	Key Management	6

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

40. Transactions with Councillors

The following remuneration was paid to Councillors during the year.

Municipal Councillors

Remuneration to Municipal Councillors for 2017

	Salary Allowances	Travelling	Telephone	Medical aid & Pension Contribution	Sitting Allowances	Total
BE MOSIANE SEGOTSO - Executive mayor	687 679	-	28 964	19 147	-	735 790
BE MOLOI - Executive mayor till 2 August 2016	76 735	-	3 616	7 742	-	88 093
DP MASUI - Speaker	416 703	131 170	28 964	17 709	-	594 546
NM KOLOTI - Single whip	346 854	135 272	31 559	102 446	-	616 131
AG ADOONS - MPAC chairperson	305 974	122 377	31 559	91 865	-	551 775
MARTINS MI	317 086	127 912	31 559	97 398	-	573 955
MM MOJAHI	299 333	115 619	28 963	64 085	-	508 000
MATABOGO MM	43 215	12 297	2 595	7 845	-	65 952
M ZEPHE	331 327	128 732	31 559	86 561	-	578 179
NDINCEDE K	41 949	12 297	2 595	9 111	33 670	99 622
LEHLOO TK	42 094	12 298	2 595	8 966	-	65 953
ZE MPHAFUDI	334 523	115 615	28 964	28 900	-	508 002
MOGALE OM	30 539	7 355	1 297	-	-	39 191
HN MBELE	294 601	115 619	28 964	68 819	-	508 003
MONTOEDI SD	7 214	-	-	-	962	8 176
DAYIYA LN	150 777	50 212	28 964	20 372	-	250 325
MJEKULA NW	20 521	4 942	2 595	-	-	28 058
VAN ZYL KL	185 624	60 096	31 858	-	-	277 578
NKATLO SS	20 521	4 942	2 595	-	-	28 058
SEDUKU PM	15 792	4 942	2 595	4 728	-	28 057
SEAKANE KS	-	-	-	-	6 734	6 734
MALETE NG	-	-	-	-	3 848	3 848
MULLER GJ	-	-	-	-	1 924	1 924
COETZER CJ	-	-	-	-	28 860	28 860
TAGAREE FI	-	-	-	-	6 734	6 734
POSTMA EM	-	-	-	-	52 910	52 910
LESIE SJ	-	-	-	-	4 810	4 810
RAMPHELE GA	-	-	-	-	6 734	6 734
MASEKO NM	-	-	-	-	1 924	1 924
GROENEWALD IM	-	-	-	-	51 948	51 948
GWILI D	-	-	-	-	33 670	33 670
SISHUBA MS	-	-	-	-	7 696	7 696
BONTSI MM	-	-	-	-	3 848	3 848
DAVEL DL	18 423	4 942	2 295	2 098	-	27 758
BOGATSU SJP	18 423	4 942	2 595	2 098	-	28 058
THELEJANE MA	-	-	-	-	3 848	3 848
HART T	-	-	-	-	2 886	2 886
MOLAPISI MS	-	-	-	-	5 772	5 772
MPUKWANA	-	-	-	-	3 848	3 848
MOKGOTHU	18 423	4 942	2 595	2 098	-	28 058
WILLEMSE AD	20 521	4 942	2 595	-	-	28 058
SP VALIPHATHWA	194 874	66 757	12 150	-	-	273 781
B TSABEDZE	-	-	-	-	41 366	41 366

			Group		Municipality	
			2018	2017 Restated*	2018	2017 Restated*
40. Transactions with Councillors (continued)						
HF SAUDI	-	-	-	-	34 632	34 632
LM LEBENUYA-KORTJAAS	-	-	-	-	23 088	23 088
LL CUTSWA	-	-	-	-	52 910	52 910
SL MOREMI	-	-	-	-	33 670	33 670
SL MONDLANE	-	-	-	-	30 784	30 784
JJ LE GRANGE	-	-	-	-	29 822	29 822
CJ BESTER	-	-	-	-	27 898	27 898
ME MOSWEU	-	-	-	-	7 696	7 696
AS MOTLADILE	-	-	-	-	21 164	21 164
PZ LESOMO	-	-	-	-	57 720	57 720
G MOSENOGI	-	-	-	-	46 176	46 176
P MORULANE	-	-	-	-	11 544	11 544
SF DU TOIT	-	-	-	-	12 506	12 506
PT MOKGABI	-	-	-	-	48 100	48 100
IR DINTWE	-	-	-	-	25 974	25 974
LS TATABANG	-	-	-	-	56 758	56 758
GA MOHOEMANG	-	-	-	-	9 620	9 620
LS MOTLHOIWA	150 777	50 212	28 964	20 372	-	250 325
BAS CAMPBELL-CLOETE	171 149	50 212	28 964	-	-	250 325
WA MOSTERT	179 373	29 652	28 964	12 336	-	250 325
LK SHUPING	-	-	-	-	2 886	2 886
SV LETSHWITI	159 673	50 212	28 964	11 476	-	250 325
FJ BOTHA	155 225	50 212	28 964	20 372	-	254 774
	5 055 922	**1 478 722**	**519 410**	**706 544**	**836 940**	**8 597 539**

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

40. Transactions with Councillors (continued)

Remuneration to Municipal Councillors for 2018

	Salary Allowance	Travelling	Telephone	Medical aid & Pension Contribution	Sitting Allowances	Total
BE MOSIANE SEGOTSO - Executive mayor	801 359	-	32 400	25 053	-	858 812
DP MASUI - Speaker	427 157	161 340	32 400	72 606	-	693 503
'NM KOLOTI - Single whip'	378 161	151 254	32 400	90 395	-	652 210
MARTINS MI	367 365	151 254	32 400	101 191	-	652 210
ADOONS NG	356 159	146 820	32 400	98 631	-	634 010
ZEPHE M	375 434	151 254	32 400	93 122	-	652 210
MOJAHI MM	380 574	151 254	32 400	87 982	-	652 210
MBELE HH	375 092	151 254	32 400	93 464	-	652 210
MPHAFUDI ZE	433 918	151 254	32 400	34 638	-	652 210
VALIPATI SP	268 080	89 688	16 200	-	-	373 968
OTHER COUNCILLORS - VAN ZYL KL	197 998	63 528	32 400	-	-	293 926
DAYIYA LN	169 406	63 531	32 400	28 589	-	293 926
LETSHWITI SV	169 409	63 528	32 400	28 589	-	293 926
CLOETE BC	197 998	63 528	32 400	-	-	293 926
MOTLOIWA LS	169 409	63 528	32 400	28 589	-	293 926
BOTHA FJ	169 406	63 531	32 400	28 589	-	293 926
MOSTERT WA	223 407	-	32 400	38 119	-	293 926
COETZER CJ	-	-	-	-	33 660	33 660
POSTMA EM	-	-	-	-	48 960	48 960
GIWILI D	-	-	-	-	40 800	40 800
MOTLADI AS	-	-	-	-	27 540	27 540
MORULANE P	-	-	-	-	7 140	7 140
GROENEWALD IM	-	-	-	-	44 880	44 880
SAUDI HF	-	-	-	-	40 800	40 800
TABEDZ B	-	-	-	-	63 240	63 240
DU TOIT SF	-	-	-	-	14 280	14 280
M0KGALAG LS	-	-	-	-	86 700	86 700
MOREMI SL	-	-	-	-	36 720	36 720
MOSENOGI G	-	-	-	-	75 480	75 480
NDINCEDE K	-	-	-	-	45 900	45 900
CUTSWA LL	-	-	-	-	83 640	83 640
MONDLANE SL	-	-	-	-	42 840	42 840
PZ LESOMO	-	-	-	-	74 460	74 460
LEBENYA LM	-	-	-	-	34 680	34 680
LE GRANGE JJ	-	-	-	-	31 620	31 620
MOHOEMANG GA	-	-	-	-	38 760	38 760
MOSWEU ME	-	-	-	-	45 900	45 900
PHUTIYAGA AO	-	-	-	-	1 020	1 020
NTULI MN	-	-	-	-	1 020	1 020
BESTER CJ	-	-	-	-	37 740	37 740
PT MOKGADI	-	-	-	-	57 120	57 120
IR DINTWE	-	-	-	-	27 540	27 540
Ad hoc travel & subsistence	-	46 891	-	-	-	46 891
	5 460 332	**1 733 437**	**534 600**	**849 557**	**1 042 440**	**9 620 366**

Refer to note 26

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

40. Transactions with Councillors (continued)

Non-executive - Board Members

2017

	Fees for board sittings	Audit & Risk committee sittings	Travel	Human resource,communications projects and investments	Total
D Daniel	70 200	-	37 603	14 000	121 803
J Douw	70 200	5 000	-	9 000	84 200
N Gabru	8 775	-	-	-	8 775
NJ Kali (Chairperson)	115 500	4 500	15 450	22 500	157 950
V Richards	87 750	-	717	28 000	116 467
	352 425	**9 500**	**53 770**	**73 500**	**489 195**

2018

	Fees for board sittings	Audit & Risk committee sittings	Travel	Accommodation	Total
D Daniel	26 325	-	31 430	-	57 755
J Douw	57 650	5 000	-	-	62 650
N J Kali	60 975	-	9 267	-	70 242
T G Molefe (Chairperson)	34 650	-	6 806	904	42 360
V Richards	26 325	-	1 416	-	27 741
PN Bhoola	35 100	-	1 855	-	36 955
	241 025	**5 000**	**50 774**	**904**	**297 703**

Notes to the Group

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

41. Changes in classification due to MSCOA (continued)

	-	-	-

The effect on the Statement of Financial Performance as at 30 June 2016.	Comparative figures previously reported as at 30 June 2017	Change in classification	Restated Balance 2016/2017
Revenue from exchange transactions			
Other income	(42 480)	42 480	-
Sale of goods	-	(1 895)	(1 895)
Commissions received	-	(8 335)	(8 335)
Other income	-	(32 250)	(32 250)
Interest received - investments	(2 331 126)	-	(2 331 126)
Dividends received	(2 080)	-	(2 080)
Revenue from non-exchange transactions			
Government grants & subsidies	(174 306 765)	-	(174 306 765)
Public contributions and donations	(76 654)	-	(76 654)
Expenditure			
Employee related cost	81 802 855	1 215 169	83 018 024
Remuneration of councillors	8 597 538	-	8 597 538
Depreciation and amortization	7 685 371	-	7 685 371
Impairment loss	157 400	-	157 400
Finance costs	421 302	-	421 302
Debt impairment	310 984	-	310 984
Repairs & maintenance	751 367	(751 367)	-
Contracted Services	24 987 802	10 580 477	35 568 279
Transfers and subsidies	5 553 058	-	5 553 058
Contribution to leave reserve	666 367	(666 367)	-
General expenses	42 356 290	10 377 912	52 734 202
Loss on write-off of assets	1 177 372	-	1 177 372
Gains on disposal of assets	(39 442)	-	(39 442)
Fair value adjustments	(4 226)	-	(4 226)
Actuarial gains /losses	(1 447 136)	-	(1 447 136)
Change in net surplus	**(3 782 203)**	**-**	**(3 782 203)**

Figures in Rand	Group 2018	2017	Municipality 2018	2017

General expenses 2016/17 Reported:	**Previously**	Previously reported	Change in classification	Restated amount	MSCOA reclassification
Audit committee members - remuneration		678 194	(678 194)		- Consultants & professional services
Cleaning		36 469	(36 469)		- Outsourced services
Community based planning		731 694	(731 694)		- Consultants & professional services
Consulting & professional fees		1 223 305	(1 223 305)		- Consultants & professional services

Notes to the Group

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
41. Changes in classification due to MSCOA (continued)				
General expenses - other	**2 500 118**	**(2 500 118)**		-
	-	(780 253)		- General - MSCOA
	-	(77 405)		- General - Toll fees
	-	(58 966)		- General - Protective clothing
	-	(16 272)		- General - Insurance
	-	(1 365 731)		- Consultants & professional services
	-	(50 000)		- Skills development training
	-	(151 491)		- Events & Campaigns
Gifts	13 835	(13 835)		- Events & Campaigns
IDP review expenses	42 500	(42 500)		- Printing & Stationery
Legal fees	2 771 985	(2 771 985)		- Consultants & professional services
Public Participation expenses	94 660	(94 660)		- Events & Campaigns
Testing of samples	452 346	(452 346)		- Consultants & professional services
Training and development - councillors	50 000	(50 000)		- Skills development training
Training and development - employees	470 000	(470 000)		- Skills development training
Expenditure based on projects	**13 397 862**	**(13 188 364)**	209 498	
Skills development training	-	(759 853)		- Skills development training
EPWP - Skill development training	-	(1 479 000)		- EPWP - Skills development training
Consultants & proff services	-	(2 753 055)		- Consultants & Prof Services
Accommodation Travel & subsistence	-	(1 212 223)		- Accomodation Travel & subsistance
Printing & Stationery	-	(1 931)		- Printing & Stationery
Events and campaigns - Catering	-	(96 960)		- Events and campaigns - Catering
Events and campaigns	-	(3 567 897)		- Events and campaigns

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*
41. Changes in classification due to MSCOA (continued)				
Travel municipal events	-	(189 304)		- Travel municipal events
Conference and seminars	-	(307 030)		- Conference and seminars
License fees - other	-	(84 497)		- License fees - other
Donations	-	(2 030 439)		- Donations
Advertisement	-	(157 373)		- Advertisement
Subtotal	22 462 968	(22 253 470)	209 498	
General expenses 2016/17 (restated)				
Events and campaigns	**2 175 309**	**3 924 843**	**6 100 152**	-
Gifts	-	13 835	-	-
Public Participation expenses	-	94 660	-	-
General expenses - Other	-	151 491	-	-
Expenditure based on projects	-	3 664 857	-	-
Insurance	**633 389**	**16 272**	**649 661**	-
General expenses - Other	-	16 272	-	-
IT Expenses	**-**	**780 253**	**780 253**	-
General expenses - Other (Mscoa)	-	780 253	-	-
Protective clothing	**93 012**	**58 966**	**151 978**	-
General expenses - other (Uniforms)	-	58 966	-	-
Skills Development training	**287 574**	**1 329 853**	**1 717 427**	-
Expenditure based on projects	-	759 853	-	-
Training and development - councillors	-	50 000	-	-
Training and development - employees	-	470 000	-	-
General expenses - other	-	50 000	-	-
Toll fees	**-**	**77 405**	**77 405**	-
General expenses other (toll fees)	-	77 405	-	-
Consumables	**175 851**	**183 669**	**359 520**	-
Repairs and maintenance	-	183 669	-	-
Printing and stationery	**1 346 647**	**44 431**	**1 391 078**	-
IDP review expenses	-	42 500	-	-
Expenditure based on projects	-	1 931	-	-
EPWP - Skills development training	**-**	**1 479 000**	**1 479 000**	-
Expenditure based on projects	-	1 479 000	-	-
Accomodation, subsistence and travel	**859 047**	**1 212 223**	**2 071 270**	-
Expenditure based on projects	-	1 212 223	-	-
Auditors remuneration	**3 279 426**	**-**	**3 279 426**	-
Travel - Municipal events	**-**	**189 304**	**189 304**	-
Expenditure based on projects	-	189 304	-	-
Conferences and seminars	**1 057 919**	**307 030**	**1 364 949**	-
Expenditure based on projects	-	307 030	-	-
License fees - Other	**51 335**	**84 497**	**135 832**	-
Expenditure based on projects	-	84 497	-	-
Donations	**-**	**2 030 439**	**2 030 439**	-
Expenditure based on projects	-	2 030 439	-	-
Advertising	**488 675**	**157 373**	**646 048**	-
Expenditure based on projects	-	157 373	-	-
	32 911 152	**10 377 912**	**22 533 240**	

Restatements regarding the abovementioned votes were done regarding the reclassification of general expenditure according the MSCOA classification framework.

Notes to the Group

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

41. Changes in classification due to MSCOA (continued)

Contracted services 2016/2017: Previously reported	Previously reported	Change in classification	Restated amount	MSCOA reclassification
Information technology		705 4(705 416)		- Other contractors
Other contractors	1 312 790	(1 312 790)		- Other contractors
WI - FI district broadband network	4 306 302	(4 306 302)		- Other contractors
District call centre operations	8 242 812	(8 242 812)		- Outsourced services
CCTV Security system	9 123 312	(9 123 312)		-
Rural Asset management system	1 305 792	(1 305 792)		- Consultants & Proff services
Fair value adjustment - Contracted services	(8 622)	-	(8 622)	-
Subtotal	24 987 802	(24 996 424)	(8 622)	-
Restated:				
Outsourced services	-	**8 279 281**	**8 279 281**	-
District call centre operations	-	8 242 812	-	-
Cleaning	-	36 469	-	-
Consultants & professional services	-	**11 282 102**	**11 282 103**	-
Rural Asset management system	-	1 305 792	-	-
Audit committee members - remuneration	-	678 195	-	-
Community based planning	-	731 694	-	-
Consulting & professional fees	-	1 223 305	-	-
General expenses - other	-	1 365 731	-	-
Testing of samples	-	452 346	-	-
Legal fees	-	2 771 985	-	-
Expenditure based on projects	-	2 753 055	-	-
Other contractors	-	**16 015 518**	**16 015 518**	-
Information Technology	-	705 416	-	-
Other Contractors	-	1 312 790	-	-
WiFi District broadband network	-	4 306 302	-	-
CCTV Security system	-	9 123 312	-	-
Repairs and maintenance	-	567 698	-	-
	24 987 802	**10 580 477**	**35 568 280**	**-**

Repairs & Maintenance 2016/2017	Preciously reported	Change in classification	Restated amount
Repairs and maintenance	751 367	-	-
Other contractors	-	(567 698)	-
Consumables	-	(183 669)	-
Subtotal	751 367	(751 367)	-
	751 367	**(751 367)**	**-**

Employee related cost 2016/2017 restated	Previously reported	Change in classification	Restated amount
Employee related cost volunteer stipends	81 802 855	548 802 83 018 024	
Contribution to leave reserve	-	666 367	-
Subtotal	81 802 855	1 215 169 83 018 024	
	81 802 855	**1 215 169 83 018 024**	

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

41. Changes in classification due to MSCOA (continued)

Restatements regarding the abovementioned votes were done regarding the reclassification of Contracted Services, Repair and Maintenance and Employee related cost according the MSCOA classification framework.

42. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Restatement on the Statement of financial position 30 June 2017

Restatements as at 30 June 2017

	Prior year errors	Restated 2017
Unspent conditional grant	1 376 599	1 376 599
Statement of changes in net assets - Opening Balance 30 June 2016	4 969 566	4 969 566
Statement of changes in net assets - LG Seta grant	(1 266 456)	(1 266 456)
PPE - Opening balances and additions	(6 022 604)	(6 022 604)
PPE - Additions 2017	1 676 727	1 676 727
Statement of financial performance - Revenue LG Seta	(110 143)	(110 143)
Statement of financial performance - PPE depreciation and impairment loss	(623 689)	(623 689)
PPE Economic Agency - Previously stated	315 996	-
Depreciation correction	34 308	-
Gains	64 105	-
Additional corrections	(392)	-
	414 017	**-**

The effect on the Statement of Financial Performance as at 30 June 2017

	As previously reported 2017	Prior year errors	Restated 2017
Property , Plant & Equipment	29 833 115	4 135 630	33 968 745
Intangible Assets	773 314	833 924	1 607 238
Unspent Grants	(3 230 555)	1 376 599	(1 853 956)
Payables from exchange transactions	(26 805 024)	(5)	(26 825 029)
Accumulated Surplus	6 070 693	6 346 148	12 416 841
	-	-	-

Restatements on the Statement of financial performance as at 30 June 2017

Notes to the Group

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

42. Prior-year adjustments (continued)

Restatements as at 30 June 2017

		Prior year errors	Restated 2017
Statement of Financial performance - Revenue LG Seta		110 143	110 143
Statement of financial performance - PPE depreciation and impairment loss adjustments		(623 689)	(623 689)
Statement of financial performance - Accumulated Surplus		733 832	733 832
Accumulated Surplus Economic Entity - Adjustment increase		8 022	-
Depreciation - Economic Entity		1 247	-
Surplus for the year		**229 555**	**220 286**

The effect on the Statement of Financial Performance as at 30 June 2017

	As previously reported 2017	Prior year errors	Restated 2017
Revenue from non - exchange transactions - Government grant and subsidies	(174 306 765)	(229 370)	(174 536 135)
Depreciation & Amortization	7 685 371	(466 289)	7 219 082
Impairment loss	157 400	(157 400)	-
General Expenses	42 356 290	119 227	42 475 517
	-	-	-

Errors

The following prior period errors adjustments occurred:

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

42. Prior-year adjustments (continued)

Restatements on Government grants and subsidies received.

Other grants and subsidies received - Previously reported	-	4 987 765	-	4 987 765
LG Seta mandatory Grant expenditure incorrectly expensed against revenue	-	119 227	-	119 227
Seperately disclosed - - Finance Management Grant	-	(1 250 000)	-	(1 250 000)
- Expanded Public Works Program grant	-	(1 479 000)	-	(1 479 000)
- Rural Road Asset Management System	-	(1 305 792)	-	(1 305 792)
- Tirelo Bosha Grant	-	(1 072 200)	-	(1 072 200)

The restatement was due to that the LG Seta Mandatory Grant not be regarded as a conditional grant. The Rural Road Asset Management Grant, the Expanded Public Works Program and the Tirelo Bosha grant is separately disclosed for more clarity of the amounts received for each grant in the 2016/2017 financial year.

Restatement unspent conditional LG Seta Mandatory Grant transfer to Revenue as at 30 June 2017

Heading

1376 599

(1 266 456)

(110 143)

Unspend balance previously reported	-	1 376 599	-	1 376 599
Recognised against Accumulated surplus as at 30 June 2016	-	(1 266 456)	-	(1 266 456)
Recognised against grant revenue - for the year ended 30 June 2017	-	(110 143)	-	(110 143)

The prior year amount for grant revenue has been restated due to that the LG Seta grant which is not regarded as a conditional Grant and the transfer to revenue and the LG Seta expenditure which were incorrectly debited against other grants and subsidies received.

Transactions affecting the restatement of depreciation for the year 30 June 2017

Statement of financial performance - Depreciation	-	(466 289)	-	(466 289)
Statement of financial performance - Impairment loss	-	(157 400)	-	(157 400)
Statement of changes in net assets	-	623 689	-	623 689
	-	-	-	-

Restatement of depreciation due to adjustments made on the asset register for the prior financial years

Notes to the Group

	Group		Municipality	
	2018	2017 Restated*	2018	2017 Restated*

42. Prior-year adjustments (continued)

Transactions affecting the restatement of PPE additions for the year ended 30 June 2017

Statement of Financial Position - PPE at cost	-	(1 676 738)	-	(1 676 738)
Statement of changes in net assets	-	1 676 738	-	1 676 738
	-	-	-	-

Restatement of PPE additions for the year ended 30 June 2017.

Restatement of PPE opening balances as at 30 June 2016				
Statement of Financial Position - PPE at cost	-	1 630 643	-	1 630 643
Statement of Financial Position - PPE accumulated depreciation	-	4 391 961	-	4 391 961
Statement of changes in net assets	-	(6 022 604)	-	6 022 604
	-	-	-	**12 045 208**

43. Risk management

Capital risk management

The economic entity's objectives when managing capital are to safeguard the economic entity's ability to continue as a going concern in order to provide returns for member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the economic entity consists of cash and cash equivalents and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the economic entity monitors capital on the basis of the debt: equity ratio.

This ration is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the economic entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Gearing ratio:
The gearing ratios at 2018 and 2017 respectively were as follows:

Payables from exchange transactions		23 152 011	27 229 499	22 583 568	26 805 029
Less: Cash and cash equivalents	11	(13 473 810)	(18696 934)	(9761 418)	(13745 146)
Net debt		9 678 201	8 532 565	12 822 150	13 059 883
Total equity		11 005 484	7 051 218	9 966 447	12 416841
Total capital		20 683 685	15 583 783	22 788 597	25 476 724
Gearing ratio		113,71 %	82,64 %	77,7 %	46,5 %

Financial risk management

The economic entity's is expose to a variety of financial risks: market risk , fair value interest rate risk, cash flow interest rate risk and price risk, credit risk and liquidity risk, but the exposure is limited and manageble.

Figures in Rand

43. Risk management (continued)

Due to largely, "non-trading nature" of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.
The Directorate: Financial services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The municipality does not enter into or trade financial instruments for speculative purposes.
Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports monthly to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk

Liquidity risk is the risk that the Municipality difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Municipality managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Municipality's reputation.
Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

The tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Group

At 30 June 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables (Exchange transctions)	22 583 568	-	-	-
Trade and other payables (Non - Exchange transctions)	856 212	-	-	-
Finance lease obligations	48 180	-	-	-

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables (Exchange transctions)	26 805 029	-	-	-
Trade and other payables (Non - Exchange transctions)	856 212	-	-	-
Finance lease obligations	485 391	-	-	-

Municipality

At 30 June 2018	Less than 1 year	Between 1 and 2 years	Over 5 years
Trade and other payables	23 152 010	-	-
Payables from non - exchange transactions	856 212	-	-
Finance lease obligations	48 180	-	-

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Over 5 years
Trade and other payables	27 229 505	-	-
Payables from non - exchange transactions	856 212	-	-
Finance lease obligations	485 391	-	-

Figures in Rand

43. Risk management (continued)

Interest rate risk

As the economic entity has no significant interest-bearing assets, the economic entity's income received on interest on investments are dependent of changes in market interest rates. Interest rate risk is deferred that the fair value of future cash flows associated with a financial instrument will fluctuate in amount as a result in market interest changes.

To decrease interest rate risk exposure, investments is mostly done on a on a term not longer than six months.The current Interest rate shown below is the average interest earned during the year under review on call investment deposits and cash in current banking institutions.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Cash in current banking institutions	1,20 %	7 467 185	-	-	-	-
Call investment deposits	8,00 %	6 000 000	-	-	-	-

Credit risk

Credit risk is the risk of financial loss to the Municipality or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Municipality from customers and investment securities .The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Each class of financial instrument is disclosed separately.

Maximum exposure to credit risk not covered by collateral is specified.
Financial instruments covered by collateral are specified.

Credit risk consists mainly of cash deposits, cash equivalents.
The municipality limits its counterparty exposures from its short-term investments (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. Consequently, the municipality is not exposured to any significant credit risk.

Receivables from exchange and non - exchange transactions are individually evaluated annually at statement of financial position date for impairment or discounting. Receivables from exchange and non - exchange transactions are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk,and is not concentrated in any particular sector or geographical area.
The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables from exchange and n on - exchange transactions.
Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Group - 2018	Group - 2017	Municipality - 2018	Municipality - 2017
Investments	-	62 857	-	62 857
Call investment deposits	6 000 000	10 000	6 000 000	10 000 000
Investments in associates	-	-	120	120
Receivables from non-exchange transactions	1 046 521	819 188	1 046 521	819 188

Notes to the Group

Figures in Rand

43. Risk management (continued)

Receivables from exchange transactions	824 177	260 108	822 282	257 171
Bank balances and cash	7 473 810	8 696 934	3 761 418	3 745 146

The maximum credit and interest risk exposure in respect of the relevant financial instruments amounts to as indicated above.

Price risk

The economic entity is exposed to equity price risk because of investments held by the economic entity and classified on the statement of financial position as at fair value.
Surplus for the year would increase (decrease) as a result of gains (losses) on equity investnments classified as at fair value.

44. Going concern

We draw attention to the fact that at 30 June 2018, the Group had an accumulated surplus of R 11 005 484 and that the municipality's total assets exceed its liabilities by R 11 005 484.

The group 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. It is highlighted that the municipality's assets exceed the liabilities of the municipality. The municipality prepared the financial statements under the going concern basis, based on the presumption that it receives grant funding from Government to ensure the settlement of liabilities as they become due to the group.

The cost containment program is in place, and it is regarded by Council as a high priority in order to contain cost and improve service delivery.

Four PPP's (Public private partnerships) is registered with National Treasury and are in the feasiblility stages and it is expected that final approval for project implementation will be received in the near future. It is expected that these PPP's will enhanced the municipality's revenue base.

45. Unauthorised expenditure

Unauthorised expenditure	50 468 921	37 848 620	50 468 921	37 848 620
Unauthorised expenditure: current year	17 497 853	12 620 301	17 287 853	12 620 301
	67 966 774	**50 468 921**	**67 756 774**	**50 468 921**

Notes to the Group

Figures in Rand

46. Fruitless and wasteful expenditure

Opening Balance	10 700 729	10 652 677	10 427 764	10 388 222
Fruitless and wasteful expenditure - current year	205 861	48 052	157 971	39 542
	10 906 590	**10 700 729**	**10 585 735**	**10 427 764**
Details of Fruitless & wastefull expenditure – Current year				
Interest: Assessment Compensation commissioner	42 397	39 542	42 397	39 542
Interest: Sars	49 808	7 990	2 574	-
Consultant advice on SCM processes	113 000	-	113 000	-
Interest: AG	487	65	-	-
Interest; Telkom	169	455	-	-
	205 861	**48 052**	**157 971**	**39 542**

That the amount of R 10 000 000 for prepaid payments made in regards to the television production industry also be regarded as irregular expenditure

Details of Fruitless & wastefull expenditure – recoverable (not write off)				
Penalties - Late for flights - Prior years	-	2 803	-	2 803
Penalties - Late for flights - Prior years; Recovered	-	-	(950)	-
Loss of petty cash - Prior years	(950)	-	-	594
	-	594	-	-
	(950)	**3 397**	**(950)**	**3 397**
Reconciliation of fruitless and watefull expenditure				
	10 700 729	264 455	10 427 764	-
Absa lease - Samsung telephone system 2011/2012	-	56 018	-	56 018
Absa lease - Samsung telephone system 2012/2013	-	56 018	-	56 018
Penalty fee - Postponement of strategic planning session	-	19 762	-	19 762
Loss of petty cash	-	2 203	-	2 203
Interest: Late payment to SARS - 2014/2015	-	223 979	-	223 979
Payment prepaid due to nature of production industry and as per SLA. However at year end no services have been rendered. 2014/2015	-	10 000 000	-	10 000 000
Interest: Assesment Compensation commissioner 2015/2016	-	30 242	-	30 242
Interest: Sars	-	7 990	-	-
Interest: AG	-	65	-	-
Interest; Telkom	-	455	-	-
Interest: Assesment Compensation commissioner 2016/2017	-	39 542	-	39 542
Current year	205 861	-	157 971	-
	10 906 590	**10 700 729**	**10 585 735**	**10 427 764**
Analysis of expenditure awaiting condonation per age classification				
Prior years: Agency	264 455	264 455	-	-
Prior years: 2011/2012	56 018	56 018	56 018	56 018

Notes to the Group

Figures in Rand

46. Fruitless and wasteful expenditure (continued)

Prior Years: 2012/2013	77 983	77 983	77 983	77 983
Prior Years: 2014/2015	10 223 979	10 223 979	10 223 979	10 223 979
Prior Years: 2015/2016	30 242	30 242	30 242	30 242
Prior Years: 2016/2017	48 052	48 052	39 542	39 542
Current year	205 861	-	157 971	-
	10 906 590	**10 700 729**	**10 585 735**	**10 427 764**

Notes to the Group

Figures in Rand

47. Irregular expenditure

Opening balance	106 672 284	59 531 522	101 823 533	56 374 787
Add: Irregular Expenditure - current year	28 423 693	46 620 113	28 423 693	45 448 746
Irregular expenditure; Agency - Identified in the current year relating to the prior year	-	520 649	-	-
Amounts not yet write off	**135 095 977**	**106 672 284**	**130 247 226**	**101 823 533**

Analysis of expenditure awaiting condonation per age classification

Opening BalanceCurrent year	106 672 284	-	101 823 533	-
Prior years Agency	-	3 156 735	-	-
Prior year: 2011/2012	-	26 422	-	26 422
Prior year: 2012/2013	-	29 500	-	29 500
Prior year: 2013/2014	-	480 397	-	480 397
Prior year: 2014/2015	-	8 625 776	-	8 625 776
Prior year: 2015/2016	-	8 668 284	-	8 668 284
Prior year: Restated 2014/2015 - 2015/2016	-	38 544 408	-	38 544 408
Prior year: 2016/2017	-	47 140 762	-	45 448 746
Current year	28 423 693	-	27 963 82	-
	135 095 977	**106 672 284**	**129 787 357**	**101 823 533**

Details of Irregular Expenditure – Current year

Contract renewed on a month to month basis	(Contrary to section 36 1 (a)(v) of SCM regulations	1 864 184
Tenders approved under regulations 32 - Non compliance senior member of SCM not present	(Contrary to supply chain regulation 32)	17 224 671
Tenders in contradiction with SCM Regulations	(In contradiction with SCM regulations 29 (2) (ii))	2 953 116
Flight, travelling and accommodation arrangements for the DR.Kenneth Kaunda District Municipality	Contrary to supply chain regulation 36, 1 (a) (v)	2 852 138
Awarded contracts outside the normal SCM process - Variarion orders	(Contrary to supply chain regulation 36 & 37	72 994
Deviations from bid adjudication recommendations-	(Contrary to section 114(1) of the MFMA) and SCM regulations 36	2 996 721
Contracts having future budgetary implications (Agency)	(Contrary to section 114(1) of the MFMA)	316 006
Procurement of goods and services by other organs of state:(Agency)	(Contrary to supply chain regulation 32)	143 863
		28 423 693

Details of Irregular Expenditure recoverable - not write off

Prior years: Information sharing centre - Kunenggambo guest house cc	-	10 170	-	10 170
Prior years: Literacy competition - Sound CD productions	-	9 950	-	9 950
Prior years: Literacy competition Ziyaduma perform	-	20 000	-	20 000
	-	**40 120**	**-**	**40 120**

Figures in Rand

47. Irregular expenditure (continued)

Details of Irregular Expenditure write off (outcome	dissplinary action)					
Prior years: Training of fire fighters	-	824 010	-	824 010		
Reconciliation of Irregular Expenditure						
Opening Balance	106 672 284	-	101 823 533			-
Prior years : Agency	-	3 156 735	-			-
Prior years 2011/2012:Printing of agendas for Council in an emergency situation	-	26 422	-	26 422		
Prior years 2012/2013:Boitshoki roofing - Double payment	-	29 500	-	29 500		
Prior years 2013/2014: Printing annual Reports 2012/2013 Agency	-	113 161	-	113 161		
Prior years 2013/2014: Flight, travelling and accommodation arrangements - Portion not condoned (R1 137 987 - 770 751)	-	367 236	-	367 236		
Prior year 2014/2015: Installing a 12 Seater customer call centre - Ikangeng Solutions cc	-	8 625 776	-	8 625 776		
Prior year 2015/2016: Installing a 12 Seater customer call centre - Ikangeng Solutions cc	-	8 242 812	-	8 242 812		
Prior year 2015/2016: Over payment on upperlimits	-	27 296	-	27 296		
Prior year 2015/2016: Procurement of laptops, desktops and related peripherals for employees	-	398 176	-	398 176		
Prior year 2015/2016: mistatement procurement panels	-	38 544 408	-	38 544 408		
Prior year 2016/2017: mistatement procurement panels	-	45 448 746	-	45 448 746		
Prior year 2016/2017: Agency	-	1 692 016	-			-
Current year: Irregular expenses	28 423 693	-	27 963 824			-
	135 095 977	**106 672 284**	**129 787 357**	**101 823 533**		

48. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	(795 188)	(746 971)	(795 188)	(746 971)
Current year subscription / fee	795 188	746 971	795 188	746 971
Amount paid - previous years	(873 412)	(795 188)	(873 412)	(795 188)
	(873 412)	**(795 188)**	**(873 412)**	**(795 188)**

Audit fees

Opening balance		-	537	412		-		-
Current year audit fees	3 063	964	3 279	426	3 063	964	3 279	426
Current year audit fees: Agency	537	218	447	010		-		-
Restatement		-	209	498		-	209	498
Amount paid - current year	(3 601	182)	(3 935	934)	(3 063	964)	(3 488	924)
Amount paid - previous years		-	(537	412)		-		-
		-		-		-		-

An amount of R 209 498 was incorrctly paid against expenditure based on projects and not against auditors remuneration in the 2016/2017 financial year.

Notes to the Group

Figures in Rand

48. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Opening balance	35	527	54	622	-		-
Current year fees	17 666	243	16 842	304	17666	243	16842 304
Current year fees: Agency	9	339	187	189	-		-
Amount paid - current year	(17 711	109)	(16 993	966)	(17666	243)	(16842 304)
Amount paid - previous years	-		(54	622)	-		-
	-		**35**	**527**	**-**		**-**

Pension and Medical Aid Deductions

Opening balance	11 075	411	9 984	522	11075	411	9984 522
Current year subscription / fee	(11 075	411)	(9 984	522)	(11075	411)	(9984 522)
	-		**-**		**-**		**-**

VAT

VAT receivable	5 986	382	5 712	268	5986	382	5712 268
VAT payable	(2 420	148)	(2 509	204)		-	-
	3 566	**234**	**3 203**	**064**	**5986**	**382**	**5712 268**

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

49. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the group.

Deviations set under this note were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations. See the attached schedule (A) for detail refer to as in note 49.

DEVIATIONS

Supply Chain Regulation 36:

Deviation from, and ratification of minor breaches of, procurement processes:

A supply chain management policy may allow the accounting officer:-

a) To dispense with the official procuremnet processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

   i. In an emergency;
   ii. If such goods or services are produced or available from single provider only;
   iii. For the acquisition of special works of art or historical objects where specifications are difficult to compile;
   iv. Acquisitions of animals for zoos; or
   v. In any other exceptional case where it is impractical or impossible to follow the official procurement processes and

b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are in terms of a technical nature.

The following deviations are reported from period 01/07/2017 – 30/06/2018

NO	COMPANY	DESCRIPTION	Locality %	QUOTATION AMOUNT
1	ESRI South Africa	Upgrading of the DR KKDM existing Geographical Information System (ARCGIS)	0	R1 195 478.10
2.	Arch-Acturial Consulting	Providing Actururial Service in respect of employee benefit liabilities	0	R 16 530.00
3.	Altimax	Verification of assets on broadband WIFI infrastructure.	0	R 68 514.00
4.	Multi choice	Payment of subscribtions 2017-07-01 to 2017-12-31	0	R 7 461.49
5.	Eskom	Upgrade of electricity from 6amps to 25kva business rate (stand 21118 ext 13 kanana) DED funding – link international (Pty) Ltd	100	R25 758.43
6.	Sasfin	The municipality is using a franking machine from hasler business systems for postage. Only one quotation was sourced from sasfin rms postage for the purchasing of postage for this machine	0	R19 200.00
7.	MOTLA-MABE TRD	Catering for 50 displaced people during the unrest in tigane on the 13th october 2017 (emergency). Only one quotation was sourced from the service provider without and official	100	R 3 750.00

NO	COMPANY	DESCRIPTION	Locality %	QUOTATION AMOUNT
		order.		
8.	Arnold & Wessels	Printing of the Annual Reports for DR. KKDM	100	R113 749.20
9.	Wolters Kluwer Tax & Accounting	Renewal of teammate 8 licenses and annual maintenance for the year ending 2018/12/31	0	R 11 508.90
10.	Tokkie Ferreira Brokers T/A Blaq M Holdings Pty Ltd	The tender process was in process. The agency is added on the DR KKDM'S insurance. The extention of 8 (eight) months from 1/11/2017 to 30/06/2018	100	R377 100.00
11.	Multichoice	Subscription fees for 6 months	0	R8680.00
12.	Fintech	Annual subscription fee – franking machine	0	R4338.84
13.	Ifacts pty (ltd)	Quotations were sourced from the above mentioned companies and the findings is that Crime Scene Investigations Africa CC is the lowest in price, but it does not meet all the description as per the specifications requested and therefore the appointment of Ifacts Pty (Ltd)	0	R7 199.00
14.	Ducharme	Automation of MFMA Sect. 71 Reporting. Only one quotation was sourced from Durcharme to assist with the Sect. 71 (Budget) reporting since the implementation of Mscoa on 1 July 2018.	0	R29 900.00
15.	Ducharme	a. Appointment of a service provider for the preparation and submission of 2017/2018 Financial Year GRAP and MSCOA compliant Annual Financial Statements. One quotation was sourced from Ducharme Consulting. b. Proposal of GRAP and MSCOA compliant asset management and AFS support	0 0	R363 600.00 R586 040.00
16.	SABC	Renewal of annual TV licenses	0	R7 420.00
17.	TG Computer Service Repairs	Urgent intevention for the diagnosing and resolution of the connectiviey and speed problem at the Disaster Management Centre In Klerksdorp	100	R57 900.00

NO	COMPANY	DESCRIPTION	Locality %	QUOTATION AMOUNT
18.	Government printing	Request for payment of processing fees for Atmospheric Emmission Licence to be Gazetted.	0	R3 026.40
19.	CQS Business Integrity Insigth and Beyond (CASE WARE) (3rd Quarter)	CQS is a tool used in the finance section to consolidate and prepares a full set of Annual Financial Statements according to IFRS, GRAP and other Financial Legislatives. The softward package also eliminates the risk of errors and reduces the time spent on drafting and preparation of Annual Financial Statements.	0	R89 566.38

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OFFICE OF THE SINGLE WHIP TEL: 018 473 8086 FAX: 018 473 2561	**TECHNICAL, ROADS AND INFRASTRUCTURE SERVICES** TEL: 018 473 8017 FAX: 018 473 2523
OFFICE OF THE MUNICIPAL MANAGER TEL: 018 473 8016 FAX: 018 473 2938	**DISASTER RISK MANAGEMENT** TEL: 018 406 7000 FAX: 018 464 3285
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