

2018/2019



# Kopanong Local Municipality (FS162)

Annual Report for the period ending 30 June 2019

## CONTENTS

CONTENTS .....	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	6
COMPONENT A: MAYOR’S FOREWORD .....	6
COMPONENT B: EXECUTIVE SUMMARY .....	10
MUNICIPAL MANAGER’S OVERVIEW .....	10
SERVICE DELIVERY OVERVIEW .....	16
1.1. FINANCIAL HEALTH OVERVIEW .....	18
1.2. ORGANISATIONAL DEVELOPMENT OVERVIEW .....	21
1.3. REPORT OF THE AUDITOR-GENERAL .....	21
1.4. THE ANNUAL PROCESSES ALIGNED TO LEGISLATION .....	22
CHAPTER 2 – GOVERNANCE .....	24
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE pms .....	24
2.1 POLITICAL GOVERNANCE .....	25
2.2 ADMINISTRATIVE GOVERNANCE .....	27
COMPONENT B: INTERGOVERNMENTAL RELATIONS .....	30
2.3 INTERGOVERNMENTAL RELATIONS .....	30
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION .....	33
2.4.PUBLIC MEETINGS .....	34
2.5 IDP PARTICIPATION AND ALIGNMENT .....	36
COMPONENT D: CORPORATE GOVERNANCE .....	36
2.6 RISK MANAGEMENT RISK .....	37
2.7 ANTI-CORRUPTION AND FRAUD .....	39
2.8 SUPPLY CHAIN MANAGEMENT .....	39
2.9 BY-LAWS .....	<b>Error! Bookmark not defined.</b>
2.10 WEBSITES: .....	40
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE .....	42
(PERFORMANCE REPORT PART I) .....	42
3.1. WATER PROVISION .....	43
3.2 WASTE WATER (SANITATION) PROVISION .....	47
3.3 ELECTRICITY .....	50

3.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) .....	52
3.5 HOUSING .....	53
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT .....	57
3.7 ROADS COMMUNITY SERVICES.....	58
3.8. TRANSPORT .....	61
3.9 WASTE WATER (STORMWATER DRAINAGE) COMMUNITY SERVICES.....	61
3.10 PLANNING .....	63
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).....	65
COMPONENT D: COMMUNITY & SOCIAL SERVICES.....	67
3.12 LIBRARIES and COMMUNITY FACILITIES.....	67
3.13 CEMETORIES .....	70
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES .....	73
Service Statistics for Child Care.....	73
COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL: .....	74
COMPONENT E: ENVIRONMENTAL PROTECTION .....	74
COMPONENT F: HEALTH.....	74
3.17 CLINICS.....	74
3.18 AMBULANCE SERVICES .....	75
3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION.....	75
COMPONENT G: SECURITY AND SAFETY.....	75
3.20 POLICE.....	75
3.21 FIRE.....	76
3.22 DISASTER MANAGEMENT .....	76
COMPONENT H: SPORT AND RECREATION .....	77
3.23 .....	SPORT AND RECREATION
78	
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES .....	79
3.24 EXECUTIVE AND COUNCIL.....	79
3.25 FINANCIAL SERVICES .....	80
3.26 HUMAN RESOURCE SERVICES .....	81

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES .....	84
3.28 RISK MANAGEMENT AND PROCUREMENT SERVICES .....	86
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD .....	88
SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES) .....	109
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II) .....	125
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....	125
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES .....	125
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE .....	128
4.2 POLICIES .....	129
4.4 PERFORMANCE REWARDS .....	131
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE .....	133
4.5 SKILLS DEVELOPMENT AND TRAINING .....	133
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE .....	138
4.6 EMPLOYEE EXPENDITURE .....	138
CHAPTER 5 – FINANCIAL PERFORMANCE .....	139
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE: FINANCE .....	140
5.1 STATEMENTS OF FINANCIAL PERFORMANCE: .....	141
5.2 GRANTS: .....	<b>Error! Bookmark not defined.</b>
5.5 CAPITAL EXPENDITURE .....	143
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS: .....	144
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS .....	165
5.10 BORROWING AND INVESTMENTS .....	165
COMPONENT D: OTHER FINANCIAL MATTERS .....	165
5.12 SUPPLY CHAIN MANAGEMENT .....	165
5.13 GRAP COMPLIANCE: .....	166
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS: .....	167
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS .....	167
6.1 AUDITOR GENERAL REPORTS Year 2016/2017 .....	167
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2017-2018 .....	180
6.2 AUDITOR GENERAL REPORT YEAR 2017/2018 .....	180
GLOSSARY .....	207
APPENDICES .....	210

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE .....	210
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES .....	210
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE .....	211
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2017/2018 .....	<b>Error! Bookmark not defined.</b>
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS .....	222
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG:.....	223
APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2017/2018 .....	224
APPENDIX O–CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2017/2018 ..	224
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS:	225
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION: .....	225
APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT:.....	226
VOLUME II: ANNUAL FINANCIAL STATEMENTS: FINANCE .....	227

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

##### Vision:

By 2030 the Kopanong Local Municipality should be a vibrant, sustainable and successful municipality which provides quality services.

##### Mission:

To promote a working relationship with stakeholders and communities.

To promote and provide effective and efficient administration, political leadership to ensure a safer and healthier environment.

To promote a shared and integrated delivery of services.

To uphold the principles of good governance in a transparent and accountable manner.

To promote sound financial management and increase revenue base.

##### Slogan

“Unity, Integrity and Prosperity”

##### Values

“Commitment, Innovativeness, Creativity and Integrity”

#### Pertaining to the implementation of Spatial Planning Land Use and Management Act (SPLUMA)

Our Municipality managed to complete all the key requirements as required for readiness. We shall however, continue to enhance our administrative and Oversight capability with regard to SPLUMA implementation thereto. The municipality has developed the SPLUMA by-law which was adopted by council and (MPT) Municipal Planning Tribunal has been established. This is based on Strategic alignment to the Provincial Growth and Development Strategy, and the IDP strategies included in the IDP especially with focus on impact and outcome achieved bearing in mind that foreword provides details that should be included in the chapters to follow.

##### Key Service Delivery Improvements:

Our report will show that we improved efficiencies on several fronts to ensure that we are a responsive institution at the disposal of our people.

We have managed to register number of improvements in service delivery, which was further outlined later in the report for the year under review and our realization was that amongst these improvements, there were still a plethora of developmental challenges for us as a collective to respond to. The municipality has completed the construction of the Fauresmith Transfer station that will store and recycle refuse waste and transport to a Landfill site. The municipality has completed the installation of meters in Bethulie, Gariiep Dam, Springfontein, Edenburg, Trompsburg and Jagersfontein as a measure of water demand management and collection of revenue.

The municipality has commenced with processes for procuring (Advertisement, evaluation and adjudication) for the installation of meters in Philippolis, Reddersburg and Fauresmith as a measure of water demand management and collection of revenue.

The Municipality completed with the construction of a 1.5km road in Springfontein that will ensure that there is sufficient storm water management and there is an improved transport system. The Municipality will commence with the construction of a 1km paved access road in Fauresmith that will ensure that there is sufficient storm water management and there is an improved transport system.

The Municipality has commenced with the Springfontein: Upgrading of Sports Facility that will ensure that a multi-purpose sports facility is available for the community.

The Municipality completed the construction of 18 high mast lights that will ensure the communities are safe and the environment allows for socio-economic activities to occur. Most of our community members have access to basic services. The capital projects that were implemented in the year under review have created jobs that benefitted the youth and women.

The Municipality has commenced with upgrade of bulk water infrastructure in the towns of: Philippolis, Bethulie and Reddersburg. The Bulk water steel pipeline in Bethulie will be augment water pressure for the town; the Reddersburg bulk pipeline and pump station will assist in augmenting pressure.

**a. Public Participation:**

The municipality places a high premium on public participation as it rolls out several of its service delivery projects. The municipality does not limit public participation to the legislated meetings between the institution and the public to discuss the annual IDP/Budget but also does that to what, at face value,

The report will show that ward committees have been established and remain intact and ensure that public representatives have direct contact with communities.

**b. Future Actions:**

The report will show that the municipality is making substantial investments on water infrastructure as it is still our challenge to provide water in some of our towns.

The next area of investment will be enhance revenue and to ensure financial viability and sustainability for Kopanong Local Municipality

Over the next few years the Municipality will continue to strive to improve the daily lives of our

residents.

Projects identified for the medium term include (2018/19):

- Development of a New Waste Site at Trompsburg
- The construction of a 1km paved access road in Fauresmith
- The installation of meters in Philippolis, Reddersburg and Fauresmith
- Bulk water steel pipeline in Bethulie
- The Philippolis upgrade of waste water treatment works
- Reddersburg: Augmentation of water supply (Elevated Tank)

c. Agreements / Partnerships: Announcements on special partnerships initiated.  
The municipality will continue to work hand in glove with government departments.

Conclusion

The municipality is working hard to ensure that the goal of establishing vibrant, sustainable and successful municipality which provides quality services is realized.

Signed by: \_\_\_\_\_

Cllr. X T Matwa (Mayor)

*T 1.0.1*

## COMPONENT B: EXECUTIVE SUMMARY MUNICIPAL MANAGER'S OVERVIEW

The State of Local Government Report (2009) noted that a number of municipalities in South Africa were in serious distress and required assistance to prepare their IDPs. These IDPs should have an implementable plan to deliver on priority services as defined by the Municipal Demarcation Board. In addition, clear revenue plans and critical capacity needs should be addressed as the first steps to improved quality of local municipal services. Kopanong Local Municipality amongst others in the Free State has been identified as a municipality that meets the above mentioned criteria.

It is my sincere honour to have been part of the Kopanong Local Municipality's 2017/18 IDP Review process. It is my first year to work with the current collective of honourable councillors and officials to prepare an IDP for the municipality. I shall forever be humbled by the opportunity presented to me by all municipal stakeholders to play a key role in compiling the revised 2017/18 IDP that coincided with the sixtieth anniversary of the Freedom Charter. With this extraordinary opportunity of serving as the Municipal Manager of Kopanong Local Municipality; I am satisfied to conclude that the municipality has come a long way and made significant achievements in service delivery over the eighteen (18) years of local government democratization in South Africa which is period from 2000-2018.

The final 2017/18 Reviewed IDP forms the basis of planning within the municipality for the remaining years of the 2016 to 2021 cycle. Kopanong Local Municipality will definitely continue to review its IDP on an annual basis taking into consideration new issues and challenges. To this extent, the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation and mandate. It should be framed in such a way that it integrates all available resources such as human, financial, political, performance, plans, goals and objectives.

As a result of the afore-mentioned and to the extent possible, the inclusive; consultative approach demonstrated throughout the development of the 2017/18 IDP Review means that it accommodates the very diverse viewpoints that were presented during the IDP community participation processes.

Kopanong Municipality would like to acknowledge the following Strategic partners who demonstrated undivided support and continue to deliver quality standard services to the community; namely the Department of National and Provincial Treasury for their support during the audit period. The department of COGTA both IDP & LED and Monitoring & Evaluation Directorates respectively for their support during the IDP Review for 2017/2018 financial year, Premier's Office for capacity building programme on the alignment of IDP's. The Departments of Water & Sanitation, Rural Development and Land Reform, COGTA (MIG Programme), Department of Energy and the Xhariep District Municipality for the co-ordination and support of District IDP Managers Dora.

Lastly, Kopanong Municipality would like to thank all Councillors and Management for their untimely commitment and support through all these years, the stakeholders who took part during the IDP and Budget consultation meetings.

Management of the municipality appreciates the continuity in accelerating concrete action to give effect to some of the projects and programmes herein spelt out. It is significant that the IDP document does not merely exist to fulfil a legal requirement, but represents the aspira-

tions of the communities on whose behest we have been given the opportunity to serve. With resources permitting, we will not rest until all the objectives spelt out in the municipality's IDP are fulfilled.

---

Mr.MM KUBEKA  
MUNICIPAL MANAGER

*T1.1.1*

## MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The municipality do not own funds for Capital Projects, only depends on Municipal Infrastructure Grant (MIG), Regional Bulk Infrastructure Grant (RBIG), Municipal Water Infrastructure Grant (MWIG) and DOE for Electrification of Projects:

The Municipality has focused on the below service delivery projects:

- a) Supply and installation of water meters
- b) High mast lights
- c) Grading and blading of internal access roads in many of our wards
- d) We electrified 13 408 households in many of our towns
- e) Maintenance of municipal Facilities
- f) Fenced our grave yards
- g) Rehabilitation of land field sites
- h) Fenced our community Halls

#### **Water**

13 693 (99.7%) households have access to water.

#### **Sanitation:**

13 683 (99.6%) households have access to waterborne sanitation.

#### **Electricity:**

13 408 (96.3%) households have access to electricity.

#### **Refuse Removal:**

13 711 (100%) households have access to refuse removal

#### **Housing**

12 397 (85.2%) households have access to housing

The municipality do not own funds for Capital Projects, only depends on Municipal Infrastructure Grant (MIG), Regional Bulk Infrastructure Grant (RBIG), Municipal Water Infrastructure Grant (MWIG) and DOE for Electrification of Projects:

The Municipality has focused on the below service delivery projects:

- a) Supply and installation of water meters
- b) High mast lights
- c) Grading and blading of internal access roads in many of our wards
- d) We electrified 13 482 households in many of our towns
- e) Maintenance of municipal Facilities
- f) Fenced our grave yards

- g) Rehabilitation of land field sites
- h) Fenced our community Halls

**Water**

13 746 (99%) households have access to water.

**Sanitation:**

13 734 (99.9%) households have access to waterborne sanitation.

**Electricity:**

13 482 (97.9%) households have access to electricity.

**Refuse Removal:**

13 761 (100%) households have access to refuse removal

**Housing**

13 746 (99%) households have access to housing

1.2.1

T

Population Details									
							Population 49 171 (Census 2011 Stats SA)		
Age	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	2 514	2 485	4 999	2 550	2 629	5 179	2 654	2 643	5 297
Age: 5 - 9	2 770	2 877	5 647	2 992	2 986	5 978	2 513	2 529	5 042
Age: 10 - 19	5 646	5 583	11 224	6 313	6 281	12 594	4 346	4 311	8 657
Age: 20 - 29	4 048	4 312	8 360	4 381	4 507	8 888	4 578	4 229	8 807
Age: 30 - 39	2 987	3 190	6 177	3 684	3 910	7 594	3 288	3 250	6 538
Age: 40 - 49	2 321	2 581	4 902	2 808	3 076	5 884	2 660	2 914	5 574
Age: 50 - 59	1 605	1 961	3 566	2 008	1 049	3 057	1 973	2 239	4 212
Age: 60 - 69	1 097	1 493	2 560	1 349	1 807	3 156	1 255	1 623	2 878
Age: 70+	871	1 374	2 245	840	1 550	2 390	817	1 348	2 165
Total	23859	25856	49715	26925	27795	54720	24084	25086	49171
<i>T1.2.3</i>									

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
17/18	6147	27%	2881	20.70%	2.9%	13.40%
16/17	6600	27%	-	-	3.1%	13.40%
15/16	2641	45%	-	-	-	-
14/15	8192	27%	-	-	-	-
<i>T 1.2.4</i>						

Reference

Overview of Neighbourhoods within Kopanong Local Municipality		
Settlement Type	Households	Population
Towns		
Bethulie	2 639	6 720
Edenburg	1 863	5 577
Fauresmith	1233	4 512
Gariiep Dam	438	1 314
Jagersfontein	1 883	5 646
Philippolis	1 274	3 822
Reddersburg	1 547	4 641
Springfontein	1 180	3 540
Trompsburg	1 704	5 067
Sub-Total	13 761	40 839
<i>T 1.2.4</i>		

Natural Resources	
Major Natural Resource	Relevance to Community
Jagersfontein Mine( Diamond)	Job Creation
Gariiep Dam in Gariiep	Access to Water
Fish Hatchery in Gariiep	Job Creation
Exploration of Uranium Mine in Edenburg	Job Creation
Tiger Breeding in Philipolis	Tourist attraction
Flatland for Energy Solar Hub	Springfontein & Bethulie
<i>T 1.2.5</i>	

## SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

#### Achievements

##### a. Access to Water.

A total number of 13 746 (99%) households have access to water in the following Towns / Units:

1. Bethulie = 2 639
2. Edenburg = 1 863
3. Fauresmith = 1 233
4. Gariiep-Dam = 438.
5. Jagersfontein = 1 883
6. Philippolis = 1 274.
7. Reddersburg = 1 547
8. Springfontein = 1 180.
9. Trompsburg = 1 689

##### b. Access to Sanitation.

A total number of 13 734(99.9%) households have access to waterborne sanitation in the following Towns / Units:

1. Bethulie = 2 639
2. Edenburg = 1 863
3. Fauresmith = 1 225
4. Gariiep-Dam = 438
5. Jagersfontein =1 883
6. Philippolis = 1 274
7. Reddersburg = 1 547
8. Springfontein = 1 180.
9. Trompsburg = 1689

##### c. Access to Refuse Removal and Waste Management.

A total number of 13 761 100% households have access to Refuse Removal in the following Towns / Units:

1. Bethulie = 2 639
2. Edenburg = 1 863
3. Fauresmith = 1 233
4. Gariiep-Dam = 438.
5. Jagersfontein = 1 883
6. Philippolis = 1 274
7. Reddersburg = 1 547

8. Springfontein = 1 180
9. Trompsburg = 1 704

There are nine landfill sites, one per Town / Unit. Seven landfill sites are registered, and they are as follows:

1. Bethulie.
2. Edenburg./Transfer station
3. Fauresmith.
4. Gariiep-Dam.
5. Philippolis.
6. Springfontein.
7. Trompsburg.

Jagersfontein landfill site is on the Environmental Impact Assessment stage failed and Reddesburg application is still pending.

The following landfill sites are approved for Rehabilitation:

1. Reddersburg. (Landfill site under construction)
2. Edenburg. (Transfer station complete)
3. Fauresmith. . (Transfer station complete)
4. Jagersfontein. . (Contractor appointed).)EIA Failed

d. Access to Electricity.

A total number of 13 408 (97.9%) households have access to Electricity in the following Towns / Units:

1. Bethulie = 2 631
2. Edenburg = 1 843
3. Fauresmith = 1 230
4. Gariiep-Dam = 438.
5. Jagersfontein = 1883
6. Philippolis = 1 274.
7. Reddersburg = 1 540
8. Springfontein = 947
9. Trompsburg = 1 696

CHALLENGES:

a. Access to Water

A total number of 15 (0.1%) households do not have access to water in the following Towns / Unit, due to none connections.

1. Trompsburg = 15

b. Access to Sanitation

A total number of 27 (0.1% households do not have access to waterborne sanitation in the following Towns / Units, due to none connections:

1. Trompsburg = 15

c. Access to Refuse Removal.

Constant mechanical breakdown of the ageing fleet which is also not in good standards for refuse removal.

d. Access to Electricity

A total number of 279 (2%) households have no access to Electricity in the following Towns / Units:

1. Bethulie = 08

2. Edenburg = 20

3. Fauresmith = 3

4. Reddersburg = 07

5. Springfontein = 233

6. Trompsburg = 8

*T 1.3.1*

## 1.1. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The municipality maintained a qualified audit opinion during the 2017/2018 that it obtained in 2016/2017 financial year. Municipality is going through financial distress as the financial liabilities amounting to R336 million exceeds financial assets R191 Million.

Municipality is going through mSCOA implementations and there were also systematic failure due to old ICT infrastructure.

The municipality's biggest challenge is cash flow. In rural areas such as ours it is very difficult to collect income due to high poverty rate. The municipality's equitable share grant is decreasing due to Stats census. Municipality have entered into payment arrangement with the service providers in order to can recover from the long outstanding creditors.

The credit control department have been strengthened in order to increase collection. Municipality is also busy with data cleaning as it also strives to fully comply with mSCOA. This process will assist with the correct billing as consumer's addresses will be rectified and then correct account will be sent to consumer and ion time.

Municipality has also appointed a Revenue Enhancement Committee to review the tariff structures to align with the budget as to increase the revenue base of the Municipality. Also

plans to cut expenditure and plans of how municipality can raise funds from other sphere of government not forgetting the private sector.

The allocation of National Treasury equitable share as per the projected allocations of the DORA show an increase in future from the 2019 financial year.

*T 1.4.1*

Financial Overview: Year 2017/2018			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	127 563 000	127 563 000	113 878 451
Taxes, Levies and tariffs	151 525 943	126 805 891	119 070 163
Other	51 792 167	34 744 130	17 112 682
Sub Total	330 881 110	289 113 021	249 393 394
Less: Expenditure	354 610 881	354 582 491	335 706 536
Net Total*	-23 729 771	-65 469 470	-84 681 321
* Note: surplus/(deficit)			T 1.4.2

Operating ratios	
Detail	%
Employee Cost	33.4%
Repairs & Maintenance	1.52%
Finance Charges & Impairment	6.85%

Total Capital Expenditure: Year 2015/2016 to Year 2018			
			R'000
Detail	2015/2016	2016/2017	2017/2018
Original Budget	56 714 000	66 378 995	57 533 000
Adjustment Budget	46 541 000	66 378 995	57 533 000
Actual	29 469 000	37 574 834	37 608 347
			T 1.4.4

## 1.2. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational development is about improving performance at the individual, group and municipal organisational level, it is about improving the organisation`s ability to effectively respond to changes in its external environment, and it is about increasing internal capabilities by ensuring that Kopanong Local municipality structures, human resources systems, job designs, communication systems and leadership/managerial processes fully harness human motivation and help people function to their full potential.

The municipality is having an organizational structure in place that was approved by Council. The organogram comprises of the office of the MM, Finance, Corporate services, Technical Services and Community services departments respectively.

For compliance matters, the Annual Performance Agreements are only signed by the Municipal Manager and Section 56 Managers; this has not been cascaded to all other staff below (EPAS).

*T 1.5.1*

## 1.3. REPORT OF THE AUDITOR-GENERAL

The municipality received a qualified opinion in 2017/18. The municipality maintained the opinion from the 2016/2017. Audit report is from page 167 to page 184.

*T*

*1.6.1*

#### 1.4. THE ANNUAL PROCESSES ALIGNED TO LEGISLATION

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	30/06/2018
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01/07/2018
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2017/2018 Annual Report to Internal Audit and Auditor-General	Should be submitted by 31 August 2018
5	Audit/Performance committee considers draft Annual Report of municipality and entities	August 2018
6	Mayor tables the audited Annual Report	31/01/2019
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31/08/2018
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	N/A
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
10	Municipalities receive and start to address the Auditor General's comments	November
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	31/01/2018
12	Audited Annual Report is made public and representation is invited	31/01/2018
13	Oversight Committee assesses Annual Report	20/03/2018
14	Council adopts Oversight report	29/03/2018
15	Oversight report is made public	29/03/2018
16	Oversight report is submitted to relevant provincial councils	30/03/2018
17	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	30/05/2018
<i>T 1.7.1</i>		

COMMENT ON THE ANNUAL REPORT PROCESS:

It is very important for the municipality to abide by the statutory requirements regarding the annual reporting. The objective of performance reporting are:

To foster accountability for performance

To facilitate systematic review of performance in order to ensure rational decision making about improvement actions and to provide a historical record of progress made with achieving the municipality's development objectives. as the municipality we don't foresee any failure of complying with statutory requirements regarding the compilation of the Annual Report.

Importance of alignment between the IDP, Budget, and PMS:

The IDP, budget, and performance management processes must be seamlessly integrated. IDP fulfils the planning stage of performance management; performance management in turn fulfils the implementation management, monitoring, and evaluation of the IDP. The performance of an organisation is integrally linked to that of Section 54 and 56 managers. If employees do not perform the organisation will not achieve its intended objectives, and seemingly the municipality cannot plan without the budget

*T 1.7.1.1*

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Political governance is governed by the Honorable Mayor it consists of 16 Councillors with the Mayor and the Speaker.

The Speaker presides over the Ordinary and Special Council meeting and she is also designated as a full time Councillor, the administration dispatch notices and agendas to Councillors forty eight (48) hours before the commencement of the Council meeting as determined in the Standard Rules and Orders.

The Mayor has the executive powers and attends to day to day duties of the Municipal Council, and the three Section 80 committee members assist him in executing some of his responsibilities. One of the responsibilities of the Mayor is to present the Executive committee reports before Council.

The municipality has appointed the Municipal Manager who is the head of administration .He is responsible for day to day operations of the organisation and account to the Mayor. Other managers who have been appointed in terms of Section 56 of the Municipal Systems Act, 2000 reports directly to the Municipal Manager. It is important to highlight that the municipality is composed of four departments, excluding the office of the Municipal Manager, namely Corporate Services Department, Budget and Treasury Office, Technical Department and Community Services Department.

*T 2.0.1*

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE pms

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality has an audit and performance committee in place, consisting of three (3) members and it is established in terms of Section 166 of the Municipal Finance Management Act (MFMA). The committee fulfils its oversight responsibility for the financial reporting, the system of internal controls, performance management, the audit process, and monitoring compliance with laws and regulations and the code of conduct. The committee sit and report quarterly to council about its activities, issues, and related recommendations.

The council appointed an oversight committee on the 25 January 2017, comprising of 5 members, a Councillor as a chairperson of oversight committee, 1 member of the audit committee, 1 community member and 2 councillors which are non –executive councillors. The resolution taken by Oversight Committee on the Annual Report 2016/2017 was to adopt an Annual Report without reservations and the oversight report was publicised on the 29<sup>th</sup> March 2018. Copies of the oversight report and minutes were forwarded to COGTA, Auditor Gen-

eral, Provincial and National Treasury, they were also publicised on the website, units and libraries as per legislation.

*T 2.1.0*

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

Three Section 80 committees that process items before they could be forwarded to the Executive Committee and eventually to Council are Finance and LED Committee, Institutional Transformation and Rural Development Committees.

The four departments of the municipality prepare reports that are then submitted to the Section 80 committees for deliberation. After the aforementioned committees have processed the reports presented before them, they are forwarded to the EXCO for endorsement. Furthermore these reports are taken to Council for consideration and approval. Important to note is that the Section 80 committees, EXCO and Council sit as per schedule of Council meetings that was adopted by the Council.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments, when Management is satisfied with this report, it is then submitted to Council for noting by 31 January annually. Subsequent to this process it is forwarded to the Oversight Committee by 31 March annually for assessment and thereafter it is presented before Council with the committee's recommendations and comments. The Oversight report and the Annual report are submitted to Departments of Provincial and National Treasury and Cooperative Governance and Traditional Affairs for comments. Furthermore these reports are published to the communities, libraries units and municipal website for comments.

*T 2.1.1*

### POLITICAL STRUCTURE

MAYOR  
Cllr. X T Matwa

SPEAKER  
Cllr. K E Dlomo

CHIEF WHIP  
Cllr. N M Jan

---

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

(Honourable Councillor X T Matwa, Cllr P Basholo and  
Cllr H Shebe)

*T 2.1.1*

---

## COUNCILLORS

Councillors are elected by the local registered voters in their respective wards and represent their respective constituents in local Council.

Kopanong municipality has a total of 16 seats, eight (8) of those are allocated to Ward Councillors who are elected by wards they are representing. The other 7 seats are allocated to political parties in proportion to the number of votes cast for them.

Furthermore it has established an oversight committee which composed of five members. i.e. three Council members, one community member and the Chairperson of the Audit and Performance Committee.

*T 2.1.2*

## POLITICAL DECISION-TAKING

The Section 80 committees sit as per schedule of Council meeting to process the items placed before them and make recommendations to the Executive Committee. These items are further processed by the Exco committee and forwarded to the full sitting of Council with recommendations. Then the Council pronounces itself on the issues presented before it. The decisions are taken by majority of members present at the meeting where the members share different view on an item under consideration. All resolutions passed by the Council are implemented by the administration.

*T 2.1.3*

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager and Managers directly accountable to the Municipal Manager organize administration in a manner that enables the municipality to be responsive to the needs of the community within its jurisdiction. The Municipal Manager is the Accounting officer who accounts to the Mayor as well as Council. He further provides guidance and advice to the political structures to manage the administration of the institution.

The Director Corporate Services administers the Department of Corporate Services and advises the Municipal Manager with issues that relates to Administration, Human Resources and Records Management/Archives. The Chief Financial Officer administers Budget and Treasury Office as well as Information Technology and advises the Municipal Manager on matters that relates to the finances of the municipality. The Director Technical Services is responsible for the Infrastructure and Development of the Municipality and Community Services is also responsible for service delivery to the community.

*T 2.2.1*

---

Top administrative structure

Tier 1

**MUNICIPAL MANAGER**  
Mr. MM Kubeka



Tier 2

---

*Directors*

Chief Financial Officer  
Ms. PM Koatla



Director Corporate Services  
Ms. CK Pitso



Director Technical Services  
Vacant

Director Community Services  
Vacant

T2.2.2

.Municipal Manager – Filled  
Chief Financial Officer – Filled  
Director Corporate Services – Filled  
Director Technical Services – Vacant  
Director Community Services - Vacant

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Inter-governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental Relations to provide for mechanisms and procedures to facilitate the settlement of inter-governmental disputes and to provide for matters connected herewith.

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum wherein which Kopanong as a Local Municipality is a member of, this forum holds meetings quarterly to engage on issues pertaining to service delivery. There are two structures of IGR, the Political IGR and the Technical IGR; The Political IGR is the structure for Mayors and Councilors and the technical structure for Municipal Managers and Key Manager and Officials.

The Municipality is guided by the framework and other policies in good relations with other government departments for the sole purpose of service delivery. Intergovernmental relations are mainly informal, making the system flexible to respond to change. The approach of the Act is therefore that it does not seek to govern intergovernmental relations in its totality but provides only the broad framework in terms of which spheres of government interact with one another.

Provincially, COGTA is playing a monitoring and evaluation role on issues of PMS, Back to Basics, IDP. The municipality then identified 5 Key Performance Areas (KPA's) to report on and to see to it that the municipality complies in terms of supply chain management. The Provincial Treasury plays a monitoring role on issues of MSCOA, and there is also a supporting staff on Auditor General steering committee meetings.

*T 2.3.0*

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

---

---

From the Department of Co-operative Governance and Traditional Affairs (COGTA) there is a national body that focuses mainly on monitoring, evaluation and service delivery, more especially on municipal turnaround strategy, which addresses key issues within the municipality that focuses mainly on service delivery issues e.g. Fighting of corruption; basic services, local economic development, clean audit and institutional arrangements.

### Back to Basics

The President launched the Back to Basics principles in September 2014, to involve the communities in all government affairs and provision of service delivery. Back to Basics came with five principles:

*Putting Peoples First*

*Delivery Basic Services*

*Good Governance*

*Sound financial management*

*Building capacity*

The program was cascaded to the Province via district and the municipalities whereby we should report on a monthly basis to National Ministry (DCOC) as well as Provincial COGTA. On the 31 March 2015 the programme was adopted by Council, whereby Kopanong Local municipality is reporting to National and COGTA Provincial.

The municipality had three meetings with the Provincial Coordinator and 3 provincial meetings were we consolidated the report and monitor progress from there province report to Provincial Lekhotla.

### Municipal Grading

The municipal grading is at category 2 is influenced by in population due to STATS SA census.

### SPLUMA

The SPLUMA was introduced by Minister of Rural development and Land Reform to coordinate the developments that are taking place in the local municipality. SPLUMA gave the municipality all the right with matters of the development in their local space. We as the municipality we have adopted the bylaws, established the municipal planning tribunal. The e/lodgment training was conducted. Our municipality is 100% ready for implementation of SPLUMA.

In terms of the implementation we have advertised for commercial land development center and the committee sat on the 13-14 May 2016 to finalize the applications. The service provider was appointed for the development of 2 fuel outlet, shopping complex and construction of disaster management center at the present moment the municipality and service provider we are busy with application of subdivision of land.

#### T 2.3.1

---

---

#### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Kopanong Local Municipality participate in the Municipal Managers Forum, IDP Managers Forums, PMS Forum, LED forum and Risk and Internal Audit forums. There is also a shared audit and performance committee amongst the district.

*T 2.3.2*

#### RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have any entities. The municipality is having a services level agreement with Centlec and Bloem- Water.

*T 2.3.3*

---

---

## DISTRICT INTERGOVERNMENTAL STRUCTURES

There is a district coordinating forum that consists of the District Mayor, and three Primary members of which is the Local Mayors.

Technical Support Committee

Forum consists of the District Manager and 3 primary members (Local Municipal Manager). The forum must meet at least once per year with services providers and other role players concerned with the development in the district to co-ordinate effective provision of services and planning in the district.

T 2.3.4

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION SPEAKER

The Speaker is responsible for public participation, whereby the Council works to empower local communities to have control over their own lives and livelihoods. Public participation is designed to promote the values of good governance and human rights. Public participation acknowledges a fundamental right of all people to participate in the governance system.

The Municipal Systems Act 2000 defines “the legal nature of a municipality as including the local community within the municipal area, working in partnerships with the municipality’s political and administrative structures to provide for community participation”.

Section 16(1) requires the municipality to develop ‘a culture of municipal governance that complements formal representative government with a system of participatory governance’. According to the Systems Act: Section 4 (c) (e), the council has the duty to.....

(c) Encourage the involvement of the local community

(e) Consult the community about the level quality, range and impact of municipal services provided by the municipality, either directly or through another service provider

5 (a) Members of the community have the right...

(b) to contribute to the decision-making processes of the municipality and submit written or oral recommendations, representations and complaints

T 2.4.0

---

## 2.4.PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

Ward committee meetings are public meetings, orchestrated by the Ward Councillors. The sole purpose of these meeting is to create a platform whereby a Councillor gives feedback about the Council decision more especially on issues pertaining to community needs. These meetings are held on a monthly basis and quarterly reports from wards are submitted to the office of the Speaker.

To ensure that the community needs are attended to, different government department are at times invited to the above meetings with the intended purpose of giving clarity to community members about the services rendered by each department as well as the role of the community.

### WARD COMMITTEES

Ward Councilor is the Chairperson of a particular ward within the municipality, whereas a proportional representative is a Councilor deployed within a ward representing a political party.

*T 2.4.2*

### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

As per the requirements of Municipal Systems Act and the Municipal Finance Management Act (MFMA) the municipality has a series of outreach consultation including the IDP and Budget consultative sessions with the communities of the Kopanong Local Municipality.

The Municipal Finance Management Act (MFMA Act 56 of 2003) puts at the center of the process the voice of the people. The MFMA calls for active participation and input from the public in the budgeting process as well as the alignment of the budget to the IDP.

In order to ensure public participation in local governance, government has over time put in place various pieces of legislation and policies. The following are some of the legislative and policy provision aimed at fostering public participation at local government level:

The Constitution-1996

Municipal Structures Act and White Paper on local government-1998

Municipal Systems Act-2000

Municipal Finance Management Act-2003

PUBLIC MEETINGS						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Joined NYDA	19/07/17	1	0	77	Yes	Communities are being informed about extended information regarding employment, Business and Education
Community database	25/07/17	1	0	85	Yes	Easy for municipality to create ward profiles and to plan precise
Clinic committee elections	25/07/17	1	0	40	Yes	Communities are being involved and have an opportunity to form part in the operations of the Government
Refuse collection Available sites Epwp and cwp projects	04/08/17	1	2	70	Yes	Communities should also learn that their ward is also their responsibility
Indigents address and water crisis	03/10/17	1	3	65	Yes	Give an update to the community about challenges faced by municipality
Taxi HUB CENTRE	13/12/17	1	2	65	YES	Giving an update to the community about a new facility in the ward.
Safety and crime awareness	20-21/12/17	1	3	70	Yes	Educating the public on how to prevent crime and safety tips
Site allocation	12/02/18	1	1		Yes	
IDP AND BUDGET	14/02/2018	1	4	50	YES	Involving the community on municipal plan and processes

Meeting with vulnerable groups who applied for sites	17/04/2018	1	3	67	Yes	Giving special attention to those with special needs
Indigents awareness	25/05/2018	1	1	65	Yes	To assist beneficiaries to have access to free basic services
Water crisis Availability of building sites Housing project	28/06/18	1	2	70	Yes the matter was addressed but the community is still not satisfied	To gain trust from the community and build long lasting relationship

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations. Our municipalities too, is expected to practice well-defined corporate governance in this manner.

The Section 80 committees, Executive Committees and Council meetings are sitting on a quarterly basis, the Mayor and the Municipal Manager are meeting daily to discuss issues of governance.

The Municipal Whippery committee consists of the Mayor, Speaker, Chief Whip of the ruling party and they are holding weekly meetings with the MM, CFO, Finance Managers, Internal Auditor, PMS Officer, all Directors, an official from COGTA for municipal support and PA to the Mayor to discuss issues of revenue enhancement strategy, audit action plan as a way of improving the municipality's audit outcome.

T 2.6.0

## 2.6 RISK MANAGEMENT RISK

The need for risk management (See MFMA Section 62 (1) (c) (i)

Risk management is a continuous, pro-active, and systematic process implemented by the municipality's council, management and other personnel, applied in strategic planning and across the municipality, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance level, to provide reasonable assurance regarding the achievements of municipality objectives. The municipality's risk management committee is in place and functional. The committee had four meetings in 2017/2018 financial year.

The benefits of having an effective risk management:

1. Support efficient use of resources,
2. Promoting continuous improvement,
3. Minimize surprises,
4. Reassure the stakeholders,
5. Helps internal audit to comply with internal audit framework and standards
6. Continuity of services delivery.

An effective risk management

1. Improve accountability by ensuring that risks are explicitly stated and understood by all parties, that the management of risks is monitored and reported on, and that action is taken based on the results.
2. Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal
3. Ensure opportunities are not missed and surprise costs don't arise

Service department role:

1. Develop risk management implementation plan of the municipality.
2. Works with senior management to develop risk management vision, strategy, and policy as well as risk appetite and tolerance level.
3. Conducting workshops on risk management and fraud awareness.

4. Coordinating risk assessment within the municipality.
5. Assisting management in developing and implementing risk responses for each identified material risk.
6. Reporting quarterly to the Risk Management Committee.

Risk management awareness workshop was held for managers and councilors in June 2018.

Risk assessment was conducted in June and July 2017

Top four risks to the municipality:

1. Uncontrolled water demand
2. Non-payment of services
3. Irregular expenditure
4. Ageing Infrastructure.

An effective risk management

1. Improve accountability by ensuring that risks are explicitly stated and understood by all parties, that the management of risks is monitored and reported on, and that action is taken based on the results.
2. Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal
3. Ensure opportunities are not missed and surprise costs don't arise

Service department role:

1. Develop risk management implementation plan of the municipality.
2. Works with senior management to develop risk management vision, strategy, and policy as well as risk appetite and tolerance level.
3. Conducting workshops on risk management and fraud awareness.
4. Coordinating risk assessment within the municipality.
5. Assisting management in developing and implementing risk responses for each identified material risk.
6. Reporting quarterly to the Risk Management Committee.

Risk management awareness workshop was held for managers and councilors in June 2018.

Risk assessment was conducted in June and July 2017.

Top five risks to the municipality:

1. Uncontrolled water demand.
2. Non-payment of services.
3. Irregular expenditure.
4. Not all Audit queries are not being resolved.
5. Ageing Infrastructure.

T 2.6.1

---

---

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality reviewed an anti-fraud and corruption strategy on the 18<sup>th</sup> May 2017.

Fraud awareness workshop was held for managers and councilors in June 2018.

Fraud aware Pamphlets were distributed.

Fraud risk register is in place.

Fraud surveys questionnaires were distributed and completed by employees.

The municipality has audit and performance committees, is fully functional and councilors are not part of the committee.

#### T 2.7.1

---

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy; Policy on Unauthorised, Irregular, Fruitless and Wasteful Expenditure were reviewed and approved by Council.

Amendment brought about by the revised Preferential Procurement Regulations 2017 were incorporated into SCM Policy for implementation from 01 July 2017

Council approved and Infrastructure Procurement and Delivery Management Policy was implemented from 01 July 2017 in terms of National Treasury Circular 77

The Municipality has improved systems and controls to be in line with the MFMA and SCM Regulations and other related prescripts.

The service delivery projects were included in the IDP; the Budget; and a service delivery project plan/procurement plan. Implementation of the plan was monitored to ensure proper implementation.

The prescripts of Section 112 of the MFMA were taken into account when drafting the SCM policy and the SCM Implementation Report was developed and reported on a quarterly basis.

The Municipality has started making use of the Central Supplier Database (CSD) to request written price quotations from suppliers. The integration of CSD and SEBATA EMS has not been completed and implemented in 2017/2018 financial year

Bids were advertised on the e-tender portal as required by Circular 83 and on CIDB website for infrastructure projects

Bid Committees are functional and has undergone training that was facilitated by Free State Provincial Treasury

---

---

Contract monitoring and management – the Municipality has entered into contracts and service level agreements with its service providers and performance monitoring is performed on a monthly basis.

The following challenges occurred in the implementation of the SCM Policy:

(1) Irregular Expenditure incurred mainly due to the following:

- 1.1 Inconsistencies in functionality criteria and points determined by the Bid Specification Committee and the one used by the Bid Evaluation Committee
- 1.2 Awards made to bidders whose tax matters are not declared to be in order
- 1.3 Award to bidder who does not have a minimum required CiDB grading
- 1.4 Performance of external service providers was not always monitored on a monthly basis

(2) Deviation from SCM processes were mainly as a result of instances where it was impractical and impossible to obtain a minimum of three quotations. Those instances were approved, recorded in the register and disclosed as a note to the Annual Financial Statements

*T 2.8.1*

## 2.10 WEBSITES

Please see the Live Website with all the Details & History available @ [www.kopanong.gov.za](http://www.kopanong.gov.za)

The following is a list of documents published and made available to the public yearly:  
The annual and adjustments budgets and all budget-related documents;

- All budget related policies and the Budget
- The Annual Report
- All Performance Agreements required in terms of section 56 of the Municipal Systems Act
- All Municipal Tenders
- All Weekly Quotations of the Municipality
- All Vacancies of the Municipality
- Contact Information for all Directorates and Sub-Directorates
- The Integrated Development Plan (IDP)
- The Service Delivery and Budget Implementation Plan (SDBIP)

The use of the website and number of hits on the website will be measured on quarterly basis

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	31 May 2018
All current budget-related policies	Yes	31 May 2018
The previous annual report (Year 2016/2017)	Yes	31/01/2018
The annual report (2017/2018) published/to be published		Not yet
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	30/09/2017 and 31/01/2018
All long-term borrowing contracts (Year 2017/2018)	No	The Municipality does not have long term borrowings
All supply chain management contracts above a prescribed value (give value) for 2017/2018	Yes	10/10/2017 01/08/2018 31/08/2018 Awarded Formal Quotations (R 30 001.00 – R 200 000.00) & Awarded Formal BIDS (above R 200 000) for the Period during July 2017 till June 2018
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 Year 1	None	
Contracts agreed in Year 2017/2018 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	31 July 2018
Public-private partnership agreements referred to in section 120 made in Year 2016/2017	No	Not applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2017/2018	Yes	Quarterly( After tabling to council)
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i></p>		T 2.10.1

## SATISFACTION ON MUNICIPAL SERVICE

### PUBLIC SATISFCATION LEVELS

There were no surveys conducted for 2017/2018.

T 2.11.1

---

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

### **INTRODUCTION**

#### **ACCESS TO WATER**

There is a total number of 13 746 (99%) households with access to water. 27 (0.1%) households do not have access to water due to none connections (i.e.15 households in Trompsburg)

The below water projects are in progress:

1. Trompsburg: Construction of 3mg / concrete reservoir and a distribution pipeline (Work in Progress)
2. Reddersburg: Construction of elevated tank and a 3 km bulk supply pipeline (Work in progress)
3. Philippolis: Upgrading of Bulk Distribution Water Pipe-line

There are some areas whereby the Municipality experiences low water pressure due to small capacity of network and sometimes pipe burst.

#### **B.ACCESS TO SANITATION**

There is a total number of 13 734(99.9%) households with access to waterborne. 15 (0.1%) households do not have access to waterborne sanitation due to none connections (15 households in Trompsburg). Constant Sewerage spillages due to mechanic and electrical breakdown of pumps.

#### **C.ACCESS TO ELECTRICITY**

A total number of 13 482 (97.9%) households have access to electricity. An amount of R5 000 000 has been allocated for the electrification 279 households which was distributed as follows:

1. Bethulie = 08 Connections
2. Springfontein = 233 Connections
3. Trompsburg = 08Connections
- 4.Reddesburg =07
- 5.Edenburg = 20
6. Fauresmith =03

#### **D.WASTE MANAGEMENT:**

There are 09 landfill / waste disposal sites:

1. Bethulie.

2. Edenburg.
3. Fauresmith.
4. Gariiep-Dam.
5. Jagersfontein.
6. Philippolis.
7. Reddersburg.
8. Springfontein.
9. Trompsburg.

Five landfill sites are registered and licensed. Land fill sites that are not yet registered and licensed are: Jagersfontein, Edenburg, Reddersburg and Fauresmith

In the 2017/2018 financial year the Municipality has managed to implement the following project under waste management:

1. Reddersburg Landfill site, (Work in Progress)
2. Fauresmith Landfill site – Transfer station, (Complete)

#### T 3.0.1

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

*Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005*

Bloem-Water is contracted to treat raw water and the Municipality supplies the community. There is a total number of 13 746 (99%) households with access to water.

There are sometimes areas whereby the Municipality experience low water pressure due to small capacity of network and sometimes pipe bursts which results to losses of water due to old asbestos pipes. The following projects were approved by COGTA and DWS, to minimise the above stated challenges:

1. Trompsburg: Construction of 3mg / concrete reservoir and a distribution pipeline (Work in Progress)
2. Reddersburg: Construction of elevated tank and a 3 km bulk supply pipeline (Work in progress)
3. Philippolis: Upgrading of Bulk Distribution Water Pipe-line
4. Jagersfontein Water Treatment Works Mechanical & Electrical Works
5. Installation of water meters and valves.
6. Bethulie: Upgrade of Bulk Water Steel Pipeline

There are also business plans that are submitted to COGTA and DWS for the total replacement of old asbestos pipes with PVC.

#### T 3.1.1

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year 2016/17	0	13 693	2 381
Year 2017/18	0	13 746	2 827
			T 3.1.5

Employees: Water Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	20	22	20	2	9%
Total	20	22	20	2	9%

Financial Performance Year : Water Services					
Details	2016/2017	Year 2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	23 167 945	33 612 941	13 225 776	16 112 288	-108%
Expenditure:					
Employees	5 345 559	14 590 733	5 738 539	5 593 597	-161%
Repairs and Maintenance	32 779	305 000	100 000	30 478	-901%
Other	83 048 768	48 179 789	52 752 185	77 184 338	38%
Total Operational Expenditure	88 427 106	63 075 522	58 590 724	82 808 413	24%
Net Operational Expenditure	65 259 161	29 462 581	45 364 948	66 695 125	56%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
					T 3.1.8

Capital Expenditure Year 2017/2018 Water Services R' 000					
Capital Projects	Year 2017/2018				
	Budget	Adjust- ment Budget	Actual Ex- penditure	Variance from orig- inal budget	Total Project Value
Total All	26 800 000	26 800 000	10 875 145	-146%	
Water projects	26 800 000	26 800 000	10 875 145	-146%	26 800 000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

T 3.1.9

#### COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

There is ageing and decaying water infrastructure which is beyond its expected life span as well as low water pressure due to restrictions imposed by Bloemwater . The technical reports and the business plans have been submitted to DWS and COGTA for the upgrading of the water network as capital projects

The Municipality has received two funding from the Department of Water and Sanitation (DWS), WSIG programme, R19, 000,000.00 on the MIG programme and R30,033,000.00 under RBIG programme. All the three programmes were ear marked to implement water related projects below:

1. Jagersfontein Water Treatment Works Mechanical & Electrical Works (90% Completion).
2. Fauresmith 2.3 MI Reservoir (Practical Completion).
3. Trompsburg: Construction of 3mg / l concrete reservoir and pipe line (70% Completion)
4. Reddersburg augmentation of water supply (Elevated Tank Contractor) (30% Completion)
5. Reddersburg augmentation of water supply (Pipe-line Contractor) (85% Completion)
6. Bethulie: Upgrade of Bulk Water Steel Pipeline (40% Completion)
7. Philippolis: Upgrading of Bulk Distribution Water Pipe-line (80% Completion)
8. Fauresmith: Construction of 1km paved road and storm water channels (Design Stage)
9. Bethulie/Lephoi: Construction of 600m paved road and storm water channels (Design Stage)
10. Phillipolis: Upgrade of Waste water Treatment Works (Design Stage)
11. Kopanong Installation of water meters and valves in Reddersburg
12. Kopanong Installation of water meters and valves in Philippolis
13. Kopanong Installation of water meters and valves in Fauresmith

	RBIG VALUE	ANTICIPATED COMPLETION DATE	PROGRESS (%)
Jagersfontein Water Treatment Works Mechanical & Electrical Works	R 5,943,312.56	November 2018	90% Completion
Fauresmith 2.3 MI Reservoir	R 9,097,292.25	November 2018	Practical Completion
TOTAL	R15,040,604.80		
	MIG VALUE	ANTICIPATED COMPLETION DATE	PROGRESS
Kopanong Installation of water meters and valves in Bethulie	R1,710,274.00	June 2017	Project is complete
Kopanong Installation of water meters and valves in Trompsburg	R1,558,186.00	November 2017	Project is complete
Kopanong Installation of water meters and valves in Edenburg	R1,703,394.00	June 2017	Project is complete
Kopanong Installation of water meters and valves in Gariiep dam	R900,288.00	June 2017	Project is complete
Kopanong Installation of water meters and valves in Jagersfontein	R1,509,229.00	June 2017	Project is complete
Kopanong Installation of water meters and valves in Springfontein	R1,199,668.00	June 2017	Project is complete
Kopanong Installation of water meters and valves in Philippolis	R 1,915,131.60	January 2019	Tender Stage
Kopanong Installation of water meters and valves in Fauresmith	R 1,941,868.82	January 2019	Tender Stage
Kopanong Installation of water meters and	R 2,136,415.86	January 2019	Tender Stage

valves in Reddersburg			
Bethulie/Lephoi: Upgrading of sewer pump stations.	R 2,936,516.00	August 2017	Project is complete
Fauresmith: Construction of 1km paved road and storm water channels	R 10,277,106.00	June 2019	Design Stage
Bethulie/Lephoi: Construction of 600m paved road and storm water channels	R 6,486,972.00	June 2020	Design Stage
TOTAL	R34,277,049.28		
	WSIG VALUE	ANTICIPATED COMPLETION DATE	PROGRESS (%)
Augment water supply and increase water pressure :Reddersburg (Elevated Tank)	R 6,068,394.42	February 2019	40% Completion
Augment water supply and increase water pressure :Reddersburg (Pipe-line)	R 7,465,663.92	November 2018	85% Completion
Phillipolis: Upgrading of Bulk Distribution Water Pipe-line	R 3,748,010.90	October 2018	80% Completion
Bethulie: Upgrading of Bulk Water Steel Pipe-Line.	R 6,000,000.00	November 2018	40% Completion
Phillipolis: Upgrade of Waste water Treatment Works	R 12,315,120.00	August 2019	Design Stage
TOTAL	R 35,597,189.24		
<i>T 3.1.10</i>			

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

There is a total number of 13 746(99.9%) households with access to waterborne. 27 (0.1%) households do not have access to waterborne sanitation due to none connection (15households in Trompsburg). Constant Sewerage spillages due to mechanic and electrical breakdown of pumps.

T 3.2.1

Sanitation Service Delivery Levels *Households				
Description	2014/15	2015/16	2016/17	2017/18
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>				
Flush toilet (connected to sewerage)	942	600	720	0
Flush toilet (with septic tank)	712	952	502	06
Chemical toilet	535	535	511	0
Pit toilet (ventilated)	124	135	103	0
Other toilet provisions (above min.service level)	13	13	15	11
<i>Minimum Service Level and Above sub-total</i>	2 325	2 236	1 851	17
<i>Minimum Service Level and Above Percentage</i>	68.9%	59.9%	55.5%	0.1%
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>				
Bucket toilet	502	952	938	11
Other toilet provisions (below min.service level)	535	535	535	535
No toilet provisions	10	11	12	15
<i>Below Minimum Service Level sub-total</i>	1 047	1 498	1 485	1 271
<i>Below Minimum Service Level Percentage</i>	31.1%	40.1%	44.5%	36.9%
Total households	3 372	3 734	3 336	3 449
<b>*Total number of households including informal settlements</b>				<b>T 3.2.3</b>

Households - Sanitation Service Delivery Levels below the minimum Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	100 000	100 000	100 000	100 000	100 000	100 000
Households below minimum service level	25 000	25 000	25 000	25 000	25 000	25 000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100 000	100 000	100 000	100 000	100 000	100 000
Households below minimum service level	25 000	25 000	25 000	25 000	25 000	25 000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
T 3.2.4						

Employees: Sanitation Services					
Job Level	Year -16-17	Year 17-18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	77	77	75	75	97%
Total	77	77	75	75	97%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T 3.2.7</p>					

Financial Performance Year : Sanitation Services					
R'000					
Details	Year 2016/2017	Year 2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	14 495 232	17 068 990		15 676 827	-9%

Expenditure:					
Employees	5 388 287	12 952 589	5 140 447	4 592 358	-182%
Repairs and Maintenance	262 451	1000 000	453 420	263 162	-280%
Other	8 418 821	6 956 715	10 057 938	19 838 887	65\$
Total Operational Expenditure	14 069 559	20 909 304	15 651 805	24 694 407	15%
Net Operational Expenditure	-425 673	3 840 314	-350 557	9 017 580	57%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.2.8

### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

A total number of 13 597 (96.3%) households have access to electricity. An amount of R5 Million has been allocated for the electrification of 115 households and Upgrading of Mini-Substation which was distributed as follows:

1. Bethulie = Upgrading of Mini-Substation
  2. Bethanie = Connection of 115 households
- Installation of 18 high mast lights (work in progress awaiting for connection of three high mast light)

Project Name	Value	Funder	ANTICIPATED COMPLETION DATE
Kopanong: Installation 18 high mast lights, two per town	R6,498,000.00  Budget Maintenance  (R7,793,059.67)	MIG	March 2018

T 3.3.1

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%

4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  
T 3.3.6

Financial Performance Year : Electricity Services					
R'000					
Details	Year 2016/2017	Year 2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	61 335 769	70 235 353	70 236 353	64 252 912	-9%
Expenditure:					
Employees					
Repairs and Maintenance	265 911	1710 358	1710 358	2 766 618	38%
Other	54 126 936	67 568 604	67 568 604	53 524 319	-26%
Total Operational Expenditure	54 392 846	67 278 962	69 278 962	56 291 319	-23%
Net Operational Expenditure	-6942 846	-957 391	-957 391	-7 961 593	88%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.3.7

Capital Expenditure Year 2017/2018: Electricity Services					
R' 000					
Capital Projects	Year 2017/2018				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value

Total All	4500 000	4500 000	4872 018	8%	
Electricity service	4500 000	4500 000	4500 000	8%	4500 000
	-	-			
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.3.8</i>

### 3.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

#### INTRODUCTION TO WASTE MANAGEMENT

A total number of 13 761 (100%) households have access to Refuse Removal. Refuse is collected once per week. Sometimes Refuse Removal is not collected as per Unit / Town Schedule due to constant mechanical breakdown of the vehicles. Tipper Truck and a TLB which rotate to assist with refuse removal and cleaning of the environment

There are 09 landfill / waste sites, one per town. Eight landfill sites are registered except Jagersfontein EIA. The following landfill sites are approved for Rehabilitation:

1. Reddersburg (work in progress)
2. Edenburg (transfer station—completed)
3. Fauresmith (complete)
4. Jagersfontein (EAI Processes and the Contractor appointed))

*T 3.4.1*

Employees: Solid Waste Magement Services					
Job Level	Year -16-17	Year -17-18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	66	60	60	59	98%
Total	66	60	60	59	98%

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

*T3.4.5*

Financial Performance Year 2017/2018: Solid Waste Management Services  
R'000

Details	Year 2016/17	Year 2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10 559 033	12 226 800	11 663 636	11 374 052	-7%
Expenditure:					
Employees	5027 637	13032 840	4 636 977	4 825 157	170%
Repairs and Maintenance				1 087 948	100%
Other	6083 783	5395 720	7730 538	11 487 091	53%
Total Operational Expenditure	11 111 420	18 428 560	12 367 515	17 400 196	-6%
Net Operational Expenditure	552 387	6201 760	703 876	6 026 144	-3%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.4.7

Capital Expenditure Year 2017/2018 Waste Management Services R' 000					
Capital Projects	Year 2017/2018				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5 946 000	5946 000	1 584 370	-275%	
Landfill site	5 946 000	5 946 000	1 584 370	-275%	5 946 0000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.4.9

**COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:**

There is progress with regards to waste management, regarding capital projects. In terms of constructing facilities that meet standards and regulation at a reasonable operational level. The construction of the Reddersburg Landfill Site  
The construction of the Edenburg Transfer Station.

**3.5 HOUSING**

**INTRODUCTION TO HOUSING**

There were 605 housing allocation which falls under the Breaking New Grounds (BNG) projects for the financial year 2017/2018.

Towns	Allocation	Completions	
- Bethulie:	100	89	New Contractor appointed
- Bethulie	300	142	New Contractor appointed
- Edenburg:	40	00	Contract renewed
- Jagersfontein:	42	33	Contract Terminated
- Springfontein	134	10	New Contractor appointed
- Trompsburg	02	02	Complete (Services such as water, electricity & Sewer connections it's outstanding)

2 There is a total backlog of 6,147 housing need, 392 of which have been allocated serviced sites and 5,755 do not have serviced sites.

-Bethulie	1624
-Edenburg	1252
-Gariiep Dam	288
-Fauresmith	703
-Jagersfontein	412
-Philippolis	501
-Reddersburg	601
-Springfontein	364
-Trompsburg	360

.Households with serviced site in need of BNG houses:

- Trompsburg	280
- Reddersburg	111
- Edenburg	427
- Philippolis	65
- Fauresmith	276
- Jagersfontein	136
- Gariiep Dam	0
- Springfontein	96

2. There are 460 dilapidated houses.

- Trompsburg	32
-Bethulie	158
-Reddersburg	0
-Edenburg	70

-Philippolis	159
-Fauresmith	0
-Jagersfontein	41
-Gariiep Dam	0
Springfontein	0
-	<i>T 3.5.1</i>

Employees: Housing Services					
Job Level	Year -16-17	Year 17-18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	1	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	1	0%
19 - 20	1	1	1	1	0%
Total	3	3	3	3	0%

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

T 3.5.4

Financial Performance Year: Housing Services					
R'000					
Details	Year 2016/2017	Year 2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4386				
Expenditure:					
Employees	712 626		718 748	809 894	100%
Repairs and Maintenance	55 890		200 000	117 912	100%
Other					
Total Operational Expenditure	768 516		918 748	927 806	100%
Net Operational Expenditure	764 130		918 748	927 806	100%

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

T 3.5.5

---

---

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

1. There were 605 housing allocation which falls under the Breaking New Grounds (BNG) projects for

The financial Year 2017/2018.

*T 3.5.7*

TOWN	ALLOCATION	COMPLETIONS	STATUS
Bethulie:	100	89	On progress
Bethulie	300	158	On Progress
Edenburg:	40	00	On Progress
Jagersfontein	42	33	Complete
Springfontein	134	10	On Progress
Trompsburg	02	02	Complete

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

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

Kopanong Local Municipality is committed to its mandate of providing free basic services as outlined in its indigent policy, this manifest in a continuous registration processes and renewal undertaken.

#### Policy objectives

In support of the above principles the objectives of this policy will be to ensure the following:-

The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council.

The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation.

Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy.

The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;

To ensure co-operative governance with other spheres of government and

To enhance the institutional and financial capacity of the Municipality to implement the policy.

## Policy Principles

It is against the above background that the Kopanong local municipality undertakes to promote the following principles:-

To ensure that the portion for free basic services allocated as part of the equitable share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;

To link this policy with the Municipality's Integrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;

4.1.3 To promote an integrated approach to free basic service delivery; and

4.1.4 To engage the community in the development and implementation of this policy.

T 3.6.1

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

### INTRODUCTION TO ROAD TRANSPORT

Road is not the responsibility of the municipality but of the Province

T 3.7.1

## 3.7 ROADS COMMUNITY SERVICES

### INTRODUCTION TO ROADS

98 756 m are gravelled roads and they are as follows :

1. Bethulie = 16 666 m.
2. Edenburg = 13 413 m.
3. Fauresmith = 11 227 m.
4. Gariiep-Dam = 2 000 m.
5. Jagersfontein = 9 300 m.
6. Philippolis = 13 600 m.
7. Reddersburg = 9 450 m.
8. Springfontein = 12 100 m.
9. Trompsburg = 11 000 m.

35 880 m. are tarred roads and they are as follows:

1. Bethulie = 3 000 m.
2. Edenburg = 2 680 m

3. Fauresmith = 2 000 m. (PROVINCIAL ROAD)
4. Gariiep-Dam = 16 800 m.
5. Jagersfontein = 1 400 m.
6. Philippolis = 3 700 m.
7. Reddersburg = 5 500 m.
8. Springfontein = 800 m.

27 500 m are paved access road and they are as follows

1. Bethulie = 7 500 m.
2. Edenburg = 3 000 m.
3. Jagersfontein = 3 900 m.
4. Philippolis = 3 500 m.
5. Reddersburg = 3 800 m.
6. Springfontein = 2 500 m.
7. Trompsburg = 3 300 m.

Storm water channels are cleaned and maintained through the assistance of the EPWP. Most of the roads have potholes, however potholes are re-sealed and patched twice a year by the Municipality. Most of the internal gravel streets are muddy and not accessible especially during heavy rains, however the Municipality do sometimes get assistance from the private business chambers, contractors and Public Works with the grading and blading of the streets.

T 3.7.1

Gravel road infrastructure:				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads up-graded to tar/paving	Gravel roads graded/maintained
Year 2017/18	390.96 KM	3km	km	15 km
Year 2016/17	390.96 km	0km	7km	390.96 km
Year 2015/16	280.07 km	0km	0km	280.07km
				T 3.7.2

Employees: Road Services					
Job Level	Year -16-17	Year 17-18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	126	122	121	121	0%
Total	126	122	121	121	0%
T3.7.7					

Financial Performance Year: Road Services					
R'000					
Details	Year 2016/2017	Year 2017/2018			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 290 929	40 267	31 830	6830	-490%
Expenditure:					
Employees	7 401 582		7 954 633	7 777 007	100%
Repairs and Maintenance	492 381	975 000	294 114	235 218	-315%
Other	1 564 144	1800 000	1 360 000	1 134 866	-59%
Total Operational Expenditure	9 458 108	2775 000	9 608 746	9147 091	70%
Net Operational Expenditure	6 167 178	2 734 733	9 576 916	9140 261	70%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.7.8					

Capital Expenditure Year 2016/2017: Road Services					
R' 000					
Capital Projects	Year 2017/2018				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9 438 000	9 438 000	5 658 687	-67%	
Paved access road	9 438 000	9 438 0000	5 658 687	-67%	9 438 000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.7.9</i>

### 3.8. TRANSPORT

#### INTRODUCTION TO TRANSPORT

Kopanong Local Municipality does not render transport services

*T 3.8.1*

Employees: Transport Services					
Job Level	Year -16-17	Year 17-18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	0	0	0	0	0%
Total	0	0	0	0	0%
<i>T3.8.4</i>					

### 3.9 WASTE WATER (STORMWATER DRAINAGE) COMMUNITY SERVICES

#### INTRODUCTION TO STORMWATER DRAINAGE

The storm water channels at high level areas causes houses on low level to be flooded. There are no storm water drainage system.

*T 3.9.1*

Storm water Infrastructure Kilometres				
	Total Storm water measures	New storm water measures	Storm water measures up-graded	Storm water measures maintained
Year 17/18	0	0	0	69.21km
Year 16/17	4km	4km	4km	69.21km
Year 15/16	4km	4km	4km	69.21km
<b>T 3.9.2</b>				

Cost of Construction/Maintenance R' 000			
	Storm water Measures		
	New	Upgraded	Maintained
2017/18	1 900 000	900 000	420 000
2016/17	1 800 000	700 000	330 000
2015/16	1 700 000	600 000	280 000
<b>T 3.9.3</b>			

Employees: Stormwater Services					
Job Level	Year -16-17	Year 17-18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	66	60	60	59	0%
Total	66	60	60	59	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					
<b>T 3.9.6</b>					

Financial Performance Year 2017/2018: Stormwater Services R'000				
Details	Year 2016/2017			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue				
Expenditure:				
Employees	1 818 090	1 873 188	1 707 342	100%

Repairs and Maintenance				
Other				
Total Operational Expenditure	1 818 090	1 873 188	1 707 342	100%
Net Operational Expenditure	1 818 090	1 873 188	1 707 342	100%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>				<i>T 3.9.7</i>

#### COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The storm water channels at high level areas causes houses on low level to be flooded. There are no storm water drainage system.

*T3.9.9*

#### COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

##### 3.10 PLANNING

#### INTRODUCTION TO PLANNING AND DEVELOPMENT

1. Construction of Trompsburg Transport Hub.
2. Albert Nzula District Hospital
3. Small Town Regeneration Programme.
4. Paving of roads in Springfontein (Infrastructure development)

##### Achievements:

1. Albert Nzula District Hospital employed 50 people.
2. Paving of roads created employment for 100 people
3. Training and registration of SMMEs assisted 6 cooperatives to be operational

##### Challenges:

1. Lack of funding impact negatively on the implementation of the Small Town Regeneration which is envisaged to create more than 150 job opportunities according to the submitted business plans.
2. Reluctance by SMMEs to register on the National Treasury database.
3. Insufficient funding for the roads infrastructure for accessibility of our towns
4. Insufficient funding for maintenance of our internal roads e.g. patching of internal roads

*3.10*

Employees: Planning Services					
Job Level	Year 16/17	Year 17/18		Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Employees	Posts	Employees		
	No.	No.	No.		
0 - 20	16	19	15	4	0%
Total	16	19	15	4	0%

T 3.10.4

<b>Job creation through EPWP* projects</b>		
<b>Details</b>	<b>EPWP Projects No.</b>	<b>Jobs created through EPWP projects No.</b>
Fencing of Jagersfontein cemetery	1	20
Cleaning of Landfill sites, cemeteries and stormwater channels	1	60
Renovation of Caleb Motshabi stadium	1	10
Fencing of Phillipolis hall	1	10
Kopanong Data capturers	1	1
<b>Total</b>	<b>5</b>	<b>101</b>
<i>* - Extended Public Works Programme</i>		<i>T 3.11.6</i>

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

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED Strategy was developed and adopted by Council in March 2016, the Municipality together with Cogta is planning to convene a summit to be attended by businesses and SMMEs where the strategy would be discussed in detail and the targeted date was February 2018. The LED Unit had also conducted roadshows in all the towns encouraging SMMEs to register on the Municipal and Provincial Treasury Database so that they can be assisted in securing grants from the Department of Economic, Tourism and Environmental Affairs. This initiative is intended to create job opportunities for SMMEs and Cooperatives in the area.

*T 3.11.1*

#### COMMENT ON LOCAL JOB OPPORTUNITIES:

The LED Unit has conducted an awareness programmes in all the nine towns on Local Economic development opportunities and as a result SMMEs are coming forward to register after which they are included in the database

The Municipality has implemented Extended Public Programmes projects in the 4 towns each project employing 10 unemployed people.

Edenburg Exploration of Uranium mine – Feasibility studies conducted but application temporarily withdrawn due to declining uranium prices.

Jagersfontein Diamond Mine which has created employment for local people.

*T 3.11.4*

#### Employees: Local Economic Development

Job Level	Year 2016/2017	Year 2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	3	3	3	0.00	0.00%

*T3.1.7*

#### LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Due to its current financial position Kopanong local Municipality is unable to commit itself on Capital projects even though they are captured in both the IDP and LED Strategy therefore the successful implementation of these projects depends on funding from sector department. It must also be indicated that the Free State Tourism Authority has also come on board in assisting the Municipality through its marketing strategies



---

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

---

### 3.12 LIBRARIES and COMMUNITY FACILITIES

#### INTRODUCTION TO LIBRARIES AND COMMUNITY FACILITIES

Libraries are being handed over to Department of Sports, Art, Culture and Recreation.

#### COMMUNITY FACILITIES:

Koponong Local Municipality has 25 Community halls, which are situated in each town, (19 hall sites are fenced.)

1. Bethulie:

- 1.1. Lephoi Community hall.
- 1.2. Bethulie Town hall.
- 1.3. Cloetespark hall.

2. Edenburg:

- 2.1. Edenburg Town hall.
- 2.2. Willem Green hall.
- 2.3. JJC Kock hall.
- 2.4. Phala Phethu Community hall.

3. Fauresmith:

- 3.1. FauresmithTown hall.
- 3.2. Jacob Zuma Community hall.
- 3.3. Freyville hall.

4. Gariiep-Dam:

- 4.1. Town hall.
- 4.2. Community hall.

5. Jagersfontein:

- 5.1. Mayibuye hall.
- 5.2. Town hall.

6. Philipollis:

- 6.1. Town hall.
- 6.2. Community hall.
- 6.3. Bergmanshoogte hall.

7. Reddersburg:

- 7.1. Community hall.
- 7.2. Town hall.

8. Springfontein:

- 8.1. Town hall.

- 8.2. Mapholi hall.
- 8.3. Williamsville hall.

- 9. Trompsburg:
  - 9.1. Town hall.
  - 9.2. Madikgetla hall.
  - 9.3. Noormansville hall.

A total number of 06 hall sites are not fenced and they are as follows:

- 1. Bethulie:
  - 1.1. Bethulie Town hall.

- 3. Gariep-Dam:
  - 3.1. Town hall.

- 4. Jagersfontein:
  - 4.1. Town hall.

- 5. Philipollis:
  - 5.1. Bergmanshoogte.

- 6. Reddersburg:
  - 6.1. Town hall.

- 7. Trompsburg:
  - 7.1. Town hall.

The following halls were damaged and not in good conditions:

- 1. Bethulie:
  - 1.1. Town hall: Was damaged by wind. Ceiling is falling, broken doors and the toilets are broken. It is not accessible. [Need to be repainted, replacement of ceiling, broken windows and toilets systems]. Specifications for material completed.

- 2. Edenburg:
  - 2.1. Town hall: Leakages at the ceiling and cracks at interior walls. It is not accessible. [Need to be repainted, replacement of ceiling and roof]. Specifications for material completed.

- 3. Jagersfontein:
  - 3.1. Town hall: The building was burned during unrest.

- 4. Philippolis:
  - 4.1. Bergmanshoogte: Toilet systems and walls not in good conditions. No electricity and ceiling.

- 5. Reddersburg:

5.1 Community hall: It was burnt during the protest. Stage and ceiling damaged.

The following halls were renovated:

1.1 Matoporong hall (work on progress)

T3.12.1

#### SERVICE STATISTICS FOR LIBRARIES

There are Twelve (Libraries) in Kopanong Local Municipality, and they are as follows:

1. Bethulie Library.
2. Lephoi Library.
3. Edenburg Library.
4. Fauresmith Library.
5. Gariiep Dam Library.
6. Hydropark Library.
7. Jagersfontein Library.
8. Itumeleng Library.
9. Philippolis Library.
10. Reddersburg Library.
11. Springfontein Library.
12. Trompsburg Library.

Eleven (11) buildings belong to the Department of Sports, Art, Culture and Recreation. One (01) building of Itumeleng Library belongs to Kopanong Local Municipality.

T 3.12.2

#### Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other R'000

Details	Year 2015/2016	Year 2016/2017			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 534 733			4 617	100%
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	-	-	-	-	-
Net Operational Expenditure	1 534 733			4 617	100%

T 3.12.5

---

---

### 3.13 CEMETERIES

Kopanong Local Municipality has 28 Cemetery sites, which are situated in each town, (A total number of 22 cemetery sites are fenced.)

1. Bethulie: (03).

1.1. Lephoi = 02.

1.2. Bethulie = 01.

1.3. New site Lephoi

2. Edenburg: (03).

2.1. Edenhoogte = 01.

2.2. Edenburg = 01.

2.3. Harasebei = 01.

3. Fauresmith: (03)

3.1. Ipopeng = 01.

3.2. Fauresmith = 01

3.3. Fryville = 01

4. Gariep-Dam: (02)

4.1. Hydropark = 01.

4.2. Good Hope = 01

5. Jagersfontein: (03)

5.1. Itumeleng = 02.

5.2. Jagersfontein = 01.

6. Philippolis: (03)

6.1. Poling tse Rolo = 01.

6.2. Bergmanshoogte = 01.

6.3. Philippolis = 01.

7. Reddersburg: (04)

7.1. Matoporong = 03.

7.2. Reddersburg = 01.

8. Springfontein: (03)

8.1. Mapholi = 01.

8.2. Springfontein = 01.

8.3. Williamsville = 01.

9. Trompsburg: (04)

9.1. Madikgetla = 02.

9.2. Noordmansville = 01.

9.3. Trompsburg = 01.

A total number of 07 Cemetery sites are not fenced and they are as follows:

1. Bethulie: (01)  
1.1. Old Lephoi cemetery.

2. Gariep-Dam: (01)  
2.1. Good Hope.

3. Jagersfontein: (03)  
3.1. Itumeleng = 02.  
3.2. Jagersfontein = 01.

4. Philipollis: (01)  
4.1. Bergmanshoogte.

5. Springfontein: (01)  
5.1. Williamsville.

Total number of 12 cemetery sites are nearly full and full to capacity, and they are as follows:

1. Bethulie: (03)  
1.1. Lephoi = 02: One is closed and one nearly full.  
1.2. Bethulie = 03: One nearly full and two are closed.

2. Fauresmith: (02)  
2.1. Fauresmith cemetery: Nearly full.  
2.2. Fryville cemetery: Full but extended.

3. Jagersfontein: (01)  
3.1. Old Itumeleng cemetery is full to capacity and closed.

4. Philippolis: (02)  
4.1. Poling tse Rolo: Nearly full.  
4.2. Philippolis: Nearly full.

5. Reddersburg: (02)  
5.1. Matoporong: Two are full.

6. Springfontein: (01)  
6.1. Mapholi: Nearly full.

7. Trompsburg: (01)  
7.1. Madikgetla: Next to the stadium is nearly full.

The cemetery sites are kept clean by the General workers and also through the assistance of the EPWP.

T 3.13.1

Employees: Cemetery Services				
Job Level	2017/18			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
4 - 6	122	45	0	0%
T 3.13.7				

---

### 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

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

##### Introduction

This contributes to the development of programmes in dealing with inequalities and discrimination, to HIV/AIDS people, the youth, disable people, women and children. This also creates an environment that acknowledges social aspects of discrimination such as the gender division of labour and assumption about women in planning and implementation of projects. This also in line with women empowerment

##### Measures taken to improve performance and the major efficiencies achieved by your services during the year

One of our\_core basic function is to service our communities in our areas, we improved the relationship by inviting in stakeholders before we start with Mayoral Imbizo's and we communicated with the community at large.

The municipality's youth relations had improved as a result that we met with different departments for information as to disseminate it to the youth in our areas.

Currently more women had employment in the different projects as to curb the gap between women and men

##### Support given to those communities that are living in poverty

Jobs were created through Extended Public Works Programme, Landfill site rehabilitation ,upgrading of sports facilities, installation of water pipe lines, fencing of cemeteries through these projects employment had been created to such extend that women and youth were mostly benefitting

*T 3.14.1*

---

#### Service Statistics for Child Care

No students were assisted with finance as to register for their further studies in different fields.

*T 3.14.2*

Employees: Child care, aged care, social programmes					
Job Level	Year16/17	Year 17/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	0	0%

**COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:**

We need to create awareness on the holistic approach on integrated mainstreaming tool for transversal issues such as Gender, Youth, Disability, Children and HIV/AIDS community development. Establishment of forums to deal with the integrated transversal issues. Luncheon clubs buildings need to be renovated as they are accommodated by the municipality .The Early Child hood Development are taken care by the social development department and monitored.

*T 3.14.7*

**COMPONENT E: ENVIRONMENTAL PROTECTION**

This component includes: pollution control; biodiversity and landscape; and costal protection.

**INTRODUCTION TO ENVIRONMENTAL PROTECTION**

The municipality has started working on an Environmental Management Plan and during the financial year was not in place.

*T 3.16.1*

**COMPONENT F: HEALTH**

This component includes: clinics; ambulance services; and health inspections.

**INTRODUCTION TO PRIMARY HEALTH**

Primary health services are a competence of the Department of Health.

*T 3.17*

**3.17 CLINICS**

**INTRODUCTION TO CLINICS**

---

The municipality provides basic municipal services such as water, electricity and refuse and sanitation services to all the primary care clinics within the municipal area.

*T 3.17.1*

---

### 3.18 AMBULANCE SERVICES

Primary health services are a competence of the Department of Health and Ambulance services is rendered by the provincial department of health

---

### 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION

The municipality has not yet introduced a municipal health inspection; food and abattoir licensing services.

*T 3.19.1*

## COMPONENT G: SECURITY, DISASTER MANAGEMENT, FIRE AND SAFETY

This component includes: Police; Fire; Disaster Management, Licensing and Control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

Security and Safety is a functionality of the Province.

*T 3.20*

### 3.20 POLICE

#### INTRODUCTION TO POLICE

Police Services is a functionality of the Province

*T 3.20.1*

---

### 3.21 FIRE

#### INTRODUCTION TO FIRE SERVICES

Kopanong Municipality is regulated by Fire Protection Association and has bought 620 litres fire engine to assist for veld fires

Challenges: The municipal budget is limited and no fire equipment. The municipality is using the Services of Working on Fire and its general workers who are not trained.

*T 3.21.1*

---

### 3.22 DISASTER MANAGEMENT

#### INTRODUCTION TO DISASTER MANAGEMENT

Kopanong Local Municipality has a disaster management plan. The Xhariep District Municipality has a disaster management Unit which consists of the following personnel: Manager Disaster Management, Coordinator Disaster Management and Senior Data Capturer. The Unit was established in September 2009. The District and Province have also assisted the Municipality to develop and review the Disaster Management Plan which must inform the District plan.

*T 3.22.1*

#### INCIDENTS OF DISASTER

*NO INCIDENT OF DISASTER WAS EXPERIENCED DURING THE FINACIAL YEAR UNDER REVIEW.*

*T 3.22*

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### INTRODUCTION TO SPORT AND RECREATION

The Municipality has the following sports and recreational facilities:

1. Lephoi closing ground: Slabs, toilet systems and entrance are vandalised.
2. Clotespark Netball ground: It is completely vandalised.
3. Ipopeng Sports Facility: Upgraded under MIG.
4. Fauresmith Sports ground (Town): In good conditions.
5. Ipopeng Sports facility: Good conditions was upgraded.
6. Ha-rasebei Stadium: Good conditions.
7. Edenburg Tennis Court: Vandalized.
8. Edenburg Swimming Pool: Vandalized.
9. Edenburg Gholf Club: Good conditions.
10. Gariep-Dam swimming pool: Not functional
11. Floraparkpark sports ground: Not in good conditions.
12. Hygropark soccer field: Vandalized.
13. Hydropark Netball ground: Not in good conditions.
14. Faunapark Tennis court: Not in good conditions.
15. Squash court: Not in good conditions.
16. Bowling Green: in good conditions.
17. Jagersfontein Sports ground: Not in good conditions.
- 18.. Jagersfontein Swimming pool: Vandalized.
19. Jagersfontein Tennis Court: Vandalized.
- 20.. Philippolis sports ground: Vandalized.(approved for upgrading through MIG)
21. Philippolis Gholf Course: Vandalized.
22. Philippolis Bowling Club: Building in good conditions.
23. Reddersburg stadium: Upgrading through MIG.
24. Reddersburg open soccer ground: Vandalized.
25. Reddersburg netball ground: Vandalized.
26. Reddersburg Gholf Court and Tennis: Vandalised.
- 27.. Springfontein / Mapholi Sports ground:
- 28.. Springfontein Sports ground: Upgrading on working progress)
29. Caleb Motshabi Stadium: Good conditions.
30. Trompsburg swimming pool: Good condition( Surface of swimming pool repaired)
31. Trompsburg Bowling court: Good conditions.
32. Trompsburg Tennis court: Good conditions.

33. Trompsburg Golf Course: Good conditions.  
T 3.23.2

### 3.23 SPORT AND RECREATION

#### SERVICE STATISTICS FOR SPORT AND RECREATION:

The Municipality has 44 parks situated as follows:

1. Bethulie = 03.
2. Edenburg = 07.
3. Fauresmith = 04.
4. Gariiep-Dam = 12.
5. Jagersfontein = 01.
6. Philippolis = 08.
7. Reddersburg = 03.
8. Springfontein = 03.
9. Trompsburg = 03.

Some of the parks are not in good conditions and accessible. There are illegal dumping at public places, however the illegal dumping sites are identified and illegal dumping signage are placed on those sites. 5 notices and fines were issued to the defaulters for the reinforcement of by-laws in 2017/18 financial year.

T 3.23.1

#### COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The parks and community facilities are cleaned and maintained by general workers weekly  
T 3.23.6

---

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

The council is fully functional and sit quarterly as per legislation. The council is composed of 15 councillors with the inclusion of the Mayor, Speaker, and the Executive Committee, it comprises of the following: Section 80 Committees, Finance, and LED committee, Institutional transformation and rural development.

#### 5 service delivery priorities

Basic services delivery  
Financial viability  
Good governance  
Local economic development  
Public participation

Measures taken to improve performance and the major efficiencies achieved

The municipality, through the committee section unit in the Corporate Services Department develops an action list after every Council sitting that ensures the implementation of Council resolutions for different departments as a monitoring tool.

There is a draft schedule for Section 80, EXCO, and council .It is used as a guiding tool for meetings and the dates are proposed by Management and endorsed by the Speaker

*T 3.24.1*

#### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

16 Councillors including the Mayor and the Speaker.

*T 3.69.2*

#### COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

The executive and council have achieved 100% target because they do sit as per legislation. The table for employees for executive and council is not completed because they don't have job levels. The council is composed of 16 Councilors with the inclusion of the Mayor and the Speaker.

*T 3.24.7*

### 3.25 FINANCIAL SERVICES

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates							
Electricity - B							
Electricity - C							
Water - B							
Water - C							
Sanitation							
Refuse							
Other							

*B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.*

*T 3.25.2*

Employees: Financial Services					
Job Level	Year 2016/2017	Year 2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	9	9	9	9	0%
10 - 12	9	9	9	9	0%
13 - 15	9	9	6	3	33%
16 - 18	21	21	20	1	5%
19 - 20	3	3	3	3	0%
Total	51	51	47	25	53%

*T 3.25.4*

---

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The priorities with the Corporate Services Department are very broad and equally important because they all have to do with the wellbeing of Employees as the Human Capital of the Municipality. We are responsible for Human Resource in the form of files and leave administration of employees, Administration/Committee services where we are focusing on the quality of material and information provided for Council and all its committee meetings going down to minutes, Skills development of employees to ensure that they are well equipped and relevantly qualified to execute their duties also for their own development and growth despite the financial challenges and constraints faced by the Municipality; Employee Wellness which looks after the wellbeing of employees as they are also social beings faced with different challenges and coming from different households and backgrounds and this function is there to ensure that our employees are at work as expected and that they are well taken care of emotionally as well so that their domestic challenges do not impact negatively on the services they have to deliver to our communities out there, Employee benefits deals with looking after the investment of employees during their years of service at the Municipality by ensuring that they belong to a pension fund and that they take care of their family members by taking out policies for them in case they pass on, they are also, through this function encouraged to join medical aids because one never knows what the future holds for you in terms of sudden/hidden illnesses as well as in the unfortunate accidents which might lead to paralysis or one needing hospitalisation, Labour Relations deals with discipline at the workplace and we normally go out and educate our employees on issues of discipline and the consequences of ill-discipline at the same time encouraging them not to misconduct or misrepresent themselves in any way at the workplace, Occupational Health and Safety deals with the safety of employees at the workplace where we have to ensure that employees are not exposed to dangerous and hazardous objects hence they need to be provided with the relevant tools of the trade/PPEs to enable them to execute their duties diligently, effectively and efficiently, the Municipality also needs to abide by the rules and regulations of the Department of Labour in as far as the safety of employees is concerned and one of those is to contribute to the Workman's Compensation Fund which would assist employees in cases of injury on duty as well as to take employees for medical check-ups especially those working with hazardous objects to ensure that they stay healthy, we also have elected Safety Representatives in each Unit/Town to ensure the safety of our employees.

*T 3.26.1*

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Financial Service Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year 16/17		Year 17/18		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
<i>Service Indicators</i> (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective xxx						
Fill posts with skilled, committed and competent individuals as and when the need arises	Filling of the vacancy: Human Resource Manager by 30 June 2018.	0		1		
Strengthen, build, retain & develop human resources for effective health services.	2 wellness workshops to be conducted bi-annually	2 work-shops were held for 2016/17		2		
To enhance the human capacity & productivity within the municipality through the review of the organogram	Conducting awareness campaign on leave discipline benefits, and municipal policies by 30 Dec 2017 & 30 June 2018 in all nine Towns of Kopanong	2 work-shops were held for 2016/17		1		
To provide an effective and efficient administrative service to the organization	Sitting of Ordinary Council on a quarterly basis as per Sec 18 (2) of Municipal Structures Act	4 Ordinary council meetings were held for 2016/17		3		
To ensure the efficient utilization of human capital	Report on number of training initiatives and interventions by 30 April	New KPI		1		

	2018					
To ensure the efficient utilization of human capital	Holding 2 OHS Committee meetings bi-annually	New KPI		2		
Implementation of WSP	Development and submission of WSP by 30 April 2018	16/17 WSP submitted to LGSETA by 30 April 2017		1		
To ensure assessment of Employee performance	Conducting of 1 training for Managers and Supervisors on EPAS by 30 June 2018.	0		0		
To ensure management of lease agreements	Report on the status of municipal legal agreements to Council annually	New KPI		0		
To ensure management of legal cases	Report on the status of Municipal legal cases to Council annually	New KPI		0		

T 3.26.2

Financial Performance Year : Human Resource Services				
R'000				
Details	Year 2017/2018			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	36 083	36 083	156 701	77%
Expenditure:				

Employees		55 659	166 842	100%
Repairs and Maintenance				
Other	370 000	55 659	166 842	122%
Total Operational Expenditure	370 000	55 659	978 842	62%
Net Operational Expenditure	333 917	55 659	822 140	59%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>				T 3.26.5

### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

The unit is operating good, however being only two officials in the unit it is quite a challenge to assist all the officials with day to day problems.

The servers (Financial, Proxy, Firewall and Admin) is still operating well and no changes have been done or are being planned for pending the MSCOA implementation.

Department's performance is monitored by the Chief Financial Officer as Chair of the ICT steering committee. Internet and email is operating well, we are striving to keep downtime to and absolute minimum.

Telephone system is currently not operating as it should be as the contract with service provider was affected by non-payment to the service provider. Processes are underway to source services of a new telephones service provider.

T 3.27.1

#### SERVICE STATISTICS FOR ICT SERVICES

Mail server: is working fine.

T 3.27.2

Employees: ICT Services					
Job Level	Year 16/17	Year 17/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	2	2	2	2	0%
Total	2	2	2	2	0%
T3.27.4					



---

### 3.28 RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

#### INTRODUCTION TO RISK MANAGEMENT AND PROCUREMENT SERVICES

Risk management is a continuous, pro-active, and systematic process implemented by the municipality's council, accounting officer, management and other officials, applied in a strategic planning and across the municipality, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance level, to provide reasonable assurance regarding the achievements of municipality objectives

A fraud risk assessment was performed and quarterly monitoring and reporting to the Risk Management Committee was done.

A procurement plan for the year 2017/2018 detailing procurement above R200- 000-00 was approved by the Accounting Officer before the start of the financial year; Capital projects formed an integral part of the plan.

The plan was monitored on a monthly basis to ensure adherence and to ensure that proper SCM processes are followed and that Bid Committee hold their meeting as scheduled. A SCM implementation report/checklist was prepared on a quarterly and submitted to the Mayor and to Council.

The Municipality started requesting quotations from suppliers who are registered on the Central Supplier Database (CSD). To improve performance, the following training was attended: SCM i-toolkit; CIDB workshop; Contract Management; Bid Committees Training; Infrastructure Procurement Training; Central Supplier Database workshop.

*T 3.28.2*

Service Objectives	Outline Service Targets	Year 16/17		Year 17/18		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective xxx						
To provide effective and efficient government administration	Report Quarterly on matters of Risk management to Risk Committee	4 Quarterly Reports in 2016/17		4		
To provide effective and efficient government administration	Bi-annually conduct Fraud Prevention awareness	Fraud Awareness/workshop on Fraud Prevention and corruption was conducted. 2016/2017.		2		
T3.28.3						

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

Annual Performance Scorecard Report for 2017/2018

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KPA			MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			IMPROVE ORGANIZATIONAL COHESION AND EFFECTIVENESS								
KP I No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for Deviation Corrective measure	Source of evidence	Actual 16/17
1	NDP Objective: Fill posts with skilled, committed and competent individuals as and when the need arises	MTI D1	Improve productivity of employees in order to ensure the achievement of the municipal vision and mission.	Filling of the vacancy: Human Resource Manager by 30 June 2018.	30 June 2018	Vacant Post	1	0	Not applicable target achieved	Recruitment process reports.	Not achieved
2	FSGDS Long-term:	MTD IT2	Healthy and productive	2 wellness workshops to be con-	2 workshops	2 Workshops	2	0	Not applicable target achieved	Attendance registers	Not achieved

KPA			MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			IMPROVE ORGANIZATIONAL COHESION AND EFFECTIVENESS								
KPI No	IDP- objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for Deviation Corrective measure	Source of evidence	Actual 16/17
	Strengthen, build, retain & develop human resources for effective health services. MTSF: Ensure that appropriately qualified & adequately skilled staff is appointed.		workforce	ducted bi-annually	bi-annually	were held for 2016/2017.				Correspondences	
3	IDP Objective: To enhance the human capacity & productivity within the municipality	MTD IT3	Healthy and productive workforce.	Conducting awareness campaign on leave discipline benefits, and municipal policies by 31	2	2 Workshops were held for 2016/2017	1	(1)	The deviation was caused because financial constraints of the Municipality and also benefits such as medical aid were suspended and employees were on strike	1.Invitation 2.Program 3.Attendance register 4.Minutes	Not achieved

KPA			MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			IMPROVE ORGANIZATIONAL COHESION AND EFFECTIVENESS								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for Deviation Corrective measure	Source of evidence	Actual 16/17
	through the review of the organogram			Dec 2017 & 30 June 2018 in all nine Towns of Kopanong					Corrective measure: A new programme has been develop and employees will be workshopped timeously		
4	To provide an effective and efficient administrative service to the organization	MTI D4	Effective and efficient administration.	Sitting of Ordinary Council on a quarterly basis as per Sec 18 (2) of Municipal Structures Act	4	4 Ordinary council meetings were held for 2016/2017	3	(1)	Council schedule was developed but the fourth meeting could only sit in January 2018 due to postponements unforeseen circumstances  Corrective Measure Hold Council meetings 4 four times a year as per the Standard Rule and Orders	Attendance register. 2. Notice of Council meetings sittings 3. Signed minutes by the MM and Speaker 4. Acknowledgement of receipt for Agenda	2 Ordinary council meetings were held in 16/17
5	To ensure the efficient utilization of human capital	MTI D5	Utilization of the training budget for the	Report on number of training initiatives and interventions by 30	Report on number of train-	New KPI	1	0	Not applicable target achieved	Report on number of training initiated	New KPI

KPA			MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			IMPROVE ORGANIZATIONAL COHESION AND EFFECTIVENESS								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for Deviation Corrective measure	Source of evidence	Actual 16/17
			purpose intended.	April 2018	ing initiative						
6		MTI D6	Improve safe working environment for municipal employees	Holding 2 OHS Committee meetings bi-annually	2 OHS meetings Bi-annually	New KPI	2	0	Not applicable target achieved	Agenda Attendance register Minutes	New KPI
7	Implementation of WSP	MTI D7	Trained skilled workforce.	Development and submission of WSP by 30 April 2018	1 Signed WSP 30 April 2018.	16/17 WSP submitted to LGSETA by 30 April 2017	1	1	Not applicable target achieved	Acknowledgement of receipt from LGSETA	WSP submitted to LGSETA by 30 April 2017
8	To ensure assessment of Employee performance	MTI D8	Improved productivity	Conducting of 1 training for Managers and Supervisors on EPAS by 30 June 2018.	1 30 June 2018	Electronic system in place	0	(1)	Financial constraints SALGA together with Provincial Treasury are going to assist with this matter	Attendance register and reports	Not achieved
9	To ensure	MTI	Improve	Report on	1 Re-	New	0	(1)	The lease agreements	Report on munic-	New KPI

KPA			MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			IMPROVE ORGANIZATIONAL COHESION AND EFFECTIVENESS								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for Deviation Corrective measure	Source of evidence	Actual 16/17
	management of lease agreements	D9	management of lease agreements	the status of municipal legal agreements to Council annually	report	KPI			were meant to be reviewed using a service provider, however one hasn't been appointed. Once they have been appointed their report will be tabled to council.	municipal legal agreements	
10	To ensure management of legal cases	MTI D10	Improve management of legal cases	Report on the status of Municipal legal cases to Council annually	1 Report	New KPI	0	(1)	The report has been tabled to the Section 80 Committee and will be tabled to Council on the 29 <sup>th</sup> August 2018	Report on municipal legal cases	New KPI

## FINANCIAL VIABILITY AND ACCOUNTABILITY

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
1	To improve financial management	MFMAV1	Improved expenditure management	Submission of quarterly Section 52 expenditure reports to the Municipal Manager for approval	4	4 Section 52 expenditure Reports were submitted 2016/2017	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 Sec 52 expenditure report	Achieved
2	To improve financial management	MFMAV2	Improved revenue management	Submission of quarterly section 52 Income reports to the Municipal Manager for approval	4	4 Section 52 income reports were submitted 2016/2017	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 Sec 52 income report	Achieved
3	To improve financial management	MFMAV3	GRAP compliant Annual Financial Statements	Compilation of GRAP compliant Annual Financial Statement and submit to the Office of the Auditor	GRAP compliant Annual Financial State	GRAP AFS submitted to AG on the 31/08/2016	1	0	Not applicable target achieved	Acknowledgement of receipt from the Office of the Auditor General	Achieved

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
				General South Africa by 31 August 2017.	ments 31 August 2017						
4	To improve financial management	MFMAV4	Address AG Audit Management Report	Tabling of Audit Action Plan to council by 31 <sup>st</sup> January 2018.	1 Audit action plan by 31 Jan 2018	AAP was submitted to AGSA 2016/2017.	0	(1)	Evidence submitted was not sufficient	Council Resolution  Audit Action Plan	Achieved
5	To ensure effective transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.	MFMAV5	Effective implementation of Supply Chain Regulations and policy	Submission to the Municipal Manager for approval of Quarterly Supply Chain Management implementation report	4	4 reports on Supply Chain Management implementation were submitted 2016/2017	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 SCM implementation reports	Achieved

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
6	To ensure effective transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.	MFMAV6	Effective implementation of Supply Chain Regulations and policy	Submission to the Municipal Manager for approval of Supply Chain Management implementation report (Annually) 30 June 2018.	1	Annual report on Supply Chain Management implementation were submitted 2016/2017	0	(1)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	Annual Supply Chain M implementation report	Achieved
7	To ensure effective transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.	MFMAV7	Effective implementation of Supply Chain Regulations and policy	Submission to the Municipal Manager for approval of fruitless and Wasteful Expenditure reports on a quarterly basis	4	4 Fruitless and Wasteful Expenditure reports were submitted 2016/2017	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 Fruitless and Wasteful Expenditure reports	Achieved
8	To ensure	MFMAV8	Effective im-	Submission to	4	4 Irregular Ex-	2	(2)	The reports were	4 Irregular	Achieve

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	effective transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.		plementation of Supply Chain Regulations and policy	the Municipal Manager for approval of Irregular Expenditure reports on a quarterly basis		penditure reports were submitted 2016/2017			submitted however they were not signed by the Municipal Manager as outlined on the KPI	Expenditure reports	d
9	To ensure effective transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.	MFMAV9	Effective implementation of Supply Chain Regulations and policy	Submission to the Municipal Manager for approval of an updated Deviation reports on a quarterly basis	4	4 Deviation reports were submitted 2016/2017	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 Deviation reports	Achieved
10	To ensure effective	MFMAV10	Effective implementation	Submission to the Municipal	4	4 supply database reports	2	(2)	The reports were submitted however	4 Supply database	Achieved

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.		of Supply Chain Regulations and policy	Manager for approval of an updated Supply database report on quarterly		were submitted 2016/2017			they were not signed by the Municipal Manager as outlined on the KPI	reports	
11	To ensure effective transparent and fair supply chain management practices through MFMA Sec 32, SCM Reg6.	MFMAV11	Effective implementation of Supply Chain Regulations and policy	Submission to the Municipal Manager for approval of Awards reports above R100 000	4	4 awards above R100 000.00 was submitted 2016/2017	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 Awards above R100 000 reports	Achieved
12	To safeguard and maintain	MFMAV12	GRAP compliant asset register	Perform annual asset count August	GRAP compliant	New KPI	1	0	Not applicable target achieved	Report on the annual asset	New KPI

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	assets			2017.	Asset Register. 31 August 2017.					count	
13	To safeguard and maintain assets	MFMAV13	Ensuring safe guarding of assets is maintained	Update departmental assets registers on quarterly basis on movables assets	4	New KPI	2	(2)	The reports were submitted however they were not signed by the Municipal Manager as outlined on the KPI	4 reports on movables assets	New KPI
14		MFMAV14	Increase revenue base	Compile and submit a revenue enhancement action plan to the municipal manager for consideration by 30 June 2018	Revenue enhancement action plan	New KPI	0	(1)		Revenue enhancement action plan	New KPI
15	To ensure financial planning	MFMAV15	To prepare a Budget as per pre-	Submission of Draft Budget to Council for	Approved	Draft Budget was submitted to council by	1	0	Not applicable target achieved	Draft Budget	Achieved

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	and ensure that it is in line with the IDP		scripts of the Act	approval by 31 March 2018 as per MFMA No .56 of 2003 Section 21-24.	Draft Budget 31/03/18.	31 March 2017.				Council Resolution	
16	To ensure financial planning and ensure that it is in line with the IDP.	MFMAV16	To prepare a Budget as per pre-scripts of the Act	Approval of the Final Budget at least 30 days before the start of the budget year as per MFMA No 56 of 2003, Sec 24.	Approved Final Budget at least 30 days before the start of the budget year.	Final Budget was submitted to Council by 31 May 2017.	1	0	Not applicable target achieved	Final Budget Council Resolution	Achieved
17	To im-	MFMAV1	Updated in-	Registration	12	2800	12	0	Not applicable target	700 regis-	Achieve

KPA			MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
KEY STRATEGIC OBJECTIVE			TO IMPROVE OVERALL FINANCIAL MANAGEMENT IN THE MUNICIPALITY BY DEVELOPING AND IMPLEMENTING, APPROPRIATE FINANCIAL POLICIES, PROCEDURES AND SYSTEMS.								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	prove financial management	7	digit register.	of households earning less than R1500 with access to free basic services on a monthly basis.	monthly reports.	Registration of households earning less than 1500 with access to free basic services was done 2016/2017			achieved	tered indigents	d
18	To adjust revenue and expenditure estimates.	MFMAV18	To prepare adjustment Budget as per pre-prescripts of the MFMA Sec 28.	Tabling of an Adjustment Budget to Council for approval by 28 <sup>th</sup> February 2018 as per Sec 28.	Approved Adjustment budget.  28/02/18.	Adjustment budget was submitted to Council 09/02/17.	1	0	Not applicable target achieved	Adjustment Budget  Council Resolution	Achieved

## LOCAL ECONOMIC DEVELOPMENT

KPA			LOCAL ECONOMIC DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			CREATE AN ENVIRONMENT THAT PROMOTES THE DEVELOPMENT OF THE LOCAL ECONOMY AND FACILITATE JOB CREATION								
KP I No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
1	To implement and review the LED strategy	LED1	Registered co-operatives and training	Development of STR strategy for Edenburg by 30 June 2018.	Small Towns Regeneration strategy for Edenburg  Quarterly	Establishment of steering committee and submission of business plan to National treasury in 2016/2017	0	(1)	The process is now run by SALGA who have now called for the review of the Terms of reference steering Committee Meetings. Meetings scheduled as follows: 06 Sept 2018: Provincial LED Forum 11 Sept 2018: Cogta meeting with Kopanong to discuss LED Strategy: 13 Sept 2018 Xhariep District forum meeting.	Orientation of the steering committee Sitting of the steering committee Attendance register Minutes of the meeting Progress report STR Strategic document	New KPI

KPA			LOCAL ECONOMIC DEVELOPMENT								
KEY STRATEGIC OBJECTIVE			CREATE AN ENVIRONMENT THAT PROMOTES THE DEVELOPMENT OF THE LOCAL ECONOMY AND FACILITATE JOB CREATION								
KP I No	IDP-objec-tive/goal	IDP Pro-gram me num-ber	Key Per-formance outcome	Key Per-formance Indicator (KPI)	Annual Target	Baseline (June 2018)	Ac-tual	Vari-ance	Reason foe deviation Corrective measure	Source of evi-dence	Actual 16/17
2	Creation of temporary jobs through implementation of local economic initiative	LED2	Creation of conducive environment for economic growth and job opportunities	110 jobs created through municipality local economic development initiatives including capital projects by 30 June 2018.	0 jobs created through LED initiatives.  30 June 2018.	100 jobs created. 2016/2017	131	21	Not applicable target is over achieved	Yearly report on job creations  Employment contracts	New KPI
3	To promote & encourage agricultural initiative	LED3	Provide emerging farmers with commonage land.	Reviewing of commonage policy by 30 June 2018.	Common-age Policy by 30 June 2018.	Common-age Policy and Consultation with stakeholder 2016/2017	0	(1)	Delayed inputs from the department of Rural development and land reform  The policy will be tabled before the end of December 2018.	Reviewed Commonage policy  Council Resolu-tion	Not achieved

KPA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
-----	--	--	--	--	--	--	--	--	--	--	--

KEY STRATEGIC OBJECTIVE			TO PROMOTE AND INSTIL GOOD GOVERNANCE PRACTICES WITHIN KOPANONG LOCAL MUNICIPALITY								
KP I No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
1	To provide effective and efficient government administration	GGA PP 1	Implementation of risk management plan.	Report Quarterly on matters of Risk management to Risk Committee	4	4 Quarterly Reports in 2016/17	4	0	Not applicable target achieved	4 Reports to Risk Committee	Achieved
2	To provide effective and efficient government administration	GGA PP2	Improve fraud risk within the municipality	Bi-annually conduct Fraud Prevention awareness	2 fraud awareness campaigns	Fraud Awareness/workshop on Fraud Prevention and corruption was conducted. 2016/2017.	2	0	Not applicable target achieved	2 fraud awareness campaigns	Achieved
3	To develop credible Integrated Development plan(IDP)	GGA PP3	Adopted Credible IDP by Council	Conducting of 1 IDP steering committee meeting by 30 November 2017.	1 IDP Steering committee 30 Nov 2017	IDP Steering committee meeting conducted. 16/17	1	0	Not applicable target achieved	Attendance register	Achieved

KPA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
KEY STRATEGIC OBJECTIVE			TO PROMOTE AND INSTIL GOOD GOVERNANCE PRACTICES WITHIN KOPANONG LOCAL MUNICIPALITY								
KP I No	IDP-objec-tive/goal	IDP Pro-gram me num-ber	Key Per-formance outcome	Key Per-formance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actu-al	Vari-ance	Reason for deviation Corrective measure	Source of evi-dence	Actual 16/17
4	To develop credible In-tegrated Develop-ment plan(IDP)	GGA PP4	Adopted Credible IDP by Council	Conducting of 1 repre-sentative forum on IDP and Budget by 28 Feb 2018	1 IDP repre-sentative forum 28 Feb 2018	1 IDP repre-sentative forum held 16/17.	1	0	Not applicable target achieved	Attendance reg-ister	Achiev ed
5	To develop a Credible Integrated Develop-ment plan(IDP)	GGA PP5	Adopted IDP by Council	Tabling of draft IDP document 2018-2019 to Council for approval by 31 March 2018	Ap-proved draft IDP docu-ment 18/19 31 March 2018	Draft IDP 17/18 tabled to Council in 2016/2017.	1	0	Not applicable target achieved	Council resolu-tion  Authentic letter signed by Inter-nal Auditor and Municipal Man-ager	Achiev ed
6	To develop a Credible Integrated Develop-ment plan(IDP)	GGA PP6	Adopted IDP by Council	Tabling of Final IDP document 2018-2019 to Council for approval by 31 May 2018 as per	1 ap-proved Final IDP docu-ment 18/19	Tabled IDP 17/18 to Council.	1	0	Not applicable target achieved	Council resolu-tion  Final IDP	Achiev ed

KPA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
KEY STRATEGIC OBJECTIVE			TO PROMOTE AND INSTIL GOOD GOVERNANCE PRACTICES WITHIN KOPANONG LOCAL MUNICIPALITY								
KP I No	IDP-objec-tive/goal	IDP Pro-gram me num-ber	Key Per-formance outcome	Key Per-formance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actu-al	Vari-ance	Reason for deviation Corrective measure	Source of evi-dence	Actual 16/17
				MSA S32	31 May 2018						
7	To develop an SDBIP	GGA PP7	Develop-ment and Tabling of Service Delivery Budget and Im-plementa-tion Plan by June 2018	Signed SDBIP 2018/19 by the Mayor within 28	1 Signed SDBIP 2017/18 within 28 days	Signed SDBIP 2017/2018 by the Mayor.	1	0	Not applicable target achieved	Signed SDBIP	Achieved
8	To develop and custom-ise perfor-mance agreement	GGA PP8	Signed perfor-mance agreement by Section 56 man-agers	5 signed Perfor-mance Agreements by 31 July 2017	5 signed Perfor-mance Agree-ments	Pperfor-mance Aagree-ments 16/17 were submit-ted to COGTA 31/07/17.	5	0	Not applicable target achieved	5 signed Per-formance Agreements	Achieved

KPA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
KEY STRATEGIC OBJECTIVE			TO PROMOTE AND INSTIL GOOD GOVERNANCE PRACTICES WITHIN KOPANONG LOCAL MUNICIPALITY								
KP I No	IDP-objective/goal	IDP Program number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
9	To develop the mid-year budget and performance assessment report	GGA PP9	Compliance with Section 72 of the MFMA.	Compilation and tabling Mid-year Budget & performance report (sec 72)	2017/18 Mid-year Budget and performance compiled and tabled by 25 January 2018	Mid-Year Budget and performance assessment report 16/17 was approved by Council	1	0	Not applicable target achieved	Council resolution for approving mid-year Budget and performance	Achieved
10	To develop the Annual Report	GGA PP10	Compliance with Section 121 & 127 of the MFMA	Compilation and tabling Annual Report 2016/17	2016/17 Annual Report compiled and tabled by 31 January 2018	AR 16/17 was submitted to Council on 25/01/17	1	0	Not applicable target achieved	Council resolution for approval of Annual Report	Achieved
11	To develop the Oversight report on the AR	GGA PP11	Compliance with Section 129 of MFMA	Tabling of oversight report on the Annual Report 2016/17	Tabled oversight report on the Annual Report	Oversight Report 2015/2016 was submitted	1	0	Not applicable target achieved	Council Resolution for approval of Oversight report	Achieved

KPA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
KEY STRATEGIC OBJECTIVE			TO PROMOTE AND INSTIL GOOD GOVERNANCE PRACTICES WITHIN KOPANONG LOCAL MUNICIPALITY								
KP I No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
					2016/17 by 31 March 2018	ted to Council.					
12	To develop and customise performance agreement	GGA PP12	Monitoring and evaluation of performance of Sec 54 and Sec 56 managers	Quarterly review performance of sec 54 and 56 managers	4	4 performance reports for 16/17 were submitted to Internal Audit for review.	4	0	Not applicable target achieved	4 Performance reports	Achieved
13	To ensure effectiveness and transparent system of internal controls	GGA PP13	Provide an assurance within an institution	Develop a three year strategic rolling and internal audit plan by 30 June 2018	Strategic rolling and internal audit plan by 30 June 2018	New KPI	1	0	Not applicable target achieved	Strategic rolling and internal audit plan	New KPI

KPA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
KEY STRATEGIC OBJECTIVE			TO PROMOTE AND INSTIL GOOD GOVERNANCE PRACTICES WITHIN KOPANONG LOCAL MUNICIPALITY								
KP I No	IDP-objec-tive/goal	IDP Pro-gram me num-ber	Key Per-formance outcome	Key Per-formance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actu-al	Vari-ance	Reason for deviation Corrective measure	Source of evi-dence	Actual 16/17
14	To ensure effective-ness and transparent system of internal control	GGA PP14	Internal Audit to provide assurance on issues of performance management	Review of performance information and report to audit committee on a quarterly basis	4	Quarterly reports for 2016/2017 were submitted for 2016/17	4	0	Not applicable target achieved	4 Internal audit reports on performance	Achieved
15	To ensure effective-ness and transparent system of internal control	GGA PP15	Compliance with Sec 166 (2) a of the MFMA	Audit committee to report to council on issues of risk management, performance management, Internal Audit and internal financial controls	4	New KPI	0	(4)	The Final report are yet to be tabled to the audit committee meeting. Meetings were scheduled however due to unforeseen circumstances that arose, the meeting had to be postponed  The meetings is planned to be held in August 2018 and the audit committee will report to council in the next planned ordinary council meeting.	4 Audit committee reports to Council	New KPI

## SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES)

KPA		SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES)									
KEY STRATEGIC OBJECTIVE		ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE									
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
1	IDP Objective: To provide access to water in a sustainable manner.	SDI1	Access to water	Identification of Backlogs for Households Connection	Annual Service delivery backlog report by 30 June 2018	New indicator	1	(1)	The evidence provided is not sufficient (The report is only compiled by the manager, does not specify the period of the backlog, not authorized by the supervisor)re	Backlog Report	New KPI
2	IDP Objective: To provide access to wa-	SDI2	Access to water	Monitoring and maintenance of internal reticulation network (water)	Quarterly monitoring of water leakages and house-	New KPI	2	-2	Not applicable target achieved	Complaints register	New KPI

KPA		SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES)									
KEY STRATEGIC OBJECTIVE		ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE									
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	ter in a sustainable manner.				holds connections of water						
3	To ensure provision solid waste removal services to all households.	SD13	Clean and healthy environment	Removal of household refuse fortnightly	Removal of household refuse fortnightly	Refuse was removed to 13613 households in 16/17	1	(1)	This failure comes as a result of us moving from departmental weekly action plans to Job card method. The Misunderstanding of this new system is the reason for deviation.	Unit Managers/ Technical Supervisors Job Card	Achieved
4	IDP Objective: To in-	SDI4	Extension of exist-	Identification and subdivision of land for cemeteries	Testing of the soil for the identified	New indicator	1	0	Not applicable target achieved	Geo technical report	New KPI

KPA			SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE								
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	crease available space for cemeteries in Kopanong		ing cemeteries and new cemeteries	by 30 June 2018	land cemeteries by 30 June 2018						
6	Maintenance of streets and cleaning of storm water channels	SDI6	Easy flow of traffic	Patching of potholes in all 9 Towns Bi-annually	Patching of potholes in all 9 Towns Bi-annually		0	(1)	Asphalt was not purchased  Will ensure that in future asphalt will be purchased so that the task can be performed	Requisitions for the purchase of Road Marking paints	Not achieved

KPA		SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES)									
KEY STRATEGIC OBJECTIVE		ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE									
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	nels										
7	Maintenance of streets and cleaning of storm water channels	SDI7	Reduction of flooding.	Cleaning of storm water channels in all units of Kopanong on a monthly basis.	Cleaning of storm water channels in all units of Kopanong on a monthly basis.	Most of the Storm Water Channels are blocked by sand which results to water overflow and damages houses and other properties / facilities.	1	(1)	Lack of resources  Ensure that budget is available for material	Unit Managers/ Technical Supervisors Job Card	Not achieved

KPA			SERVICE DELIVERY AND INFRASTRUCTURE (COMMUNITY SERVICES)									
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE									
KPI No	IDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation	Source of evidence	Actual 16/17	
									Corrective measure			
8	Maintenance of sports facilities	SDI8	Clean sports facilities	Cleaning of main sports facilities for: Edenburg(Ha Rasebei) Trompsburg (Caleb Motshabi) Fauresmith (Ipopeng) weekly.	Cleaning of main sports facilities for: Edenburg(Ha Rasebei) Trompsburg (Caleb Motshabi) Faur-smith (Ipopeng) weekly.	Main sports facilities were maintained	2	0	Not applicable target achieved	Action plan Monthly Progress Reports from Manager	Not achieved	



## SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL SERVICES)

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
1	NDP Objective: To provide access to water in a sustainable manner	SDI D 1	Access to clean sufficient water supply	Monitoring of Construction of a Concrete 3 Mgl Reservoir and distribution of 3km water Pipeline in Trompsburg	4 Monitoring reports of 3Mgl Reservoir and 3km water pipeline in Trompsburg by 30 June 2018	80% completed in 16/17.	3	(1)	The contractor and implementing agent which is Bloemwater have failed to complete the project on time and have also failed to implement the contract.  Corrective Measures: 1. The contractor and Bloemwater needs to compile and implement an acceleration plan for completing the project.  2. Regular site visit and progress meeting need to be held as to monitor and evaluate performance.	Quarterly progress report	Not achieved
2		SDI D2	Access to clean suf-	Construction of 1.2	Construction of 1.2	New KPI	0	(1)	The contractor failed to complete the project as	Site visit report from the	New KPI

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
			efficient water supply	km pipeline and refurbishment of pump station in Reddersburg	km pipeline and refurbishment of pump station in Reddersburg by 30 June 2018				per the time frame and the Municipality took time to pay some of the progress payments due financial constraints.  Corrective Measure: 1. The contractor to complete the testing of the pipe. 2. The contractor to procure the MCC panel and gantry.	consultant Practical completion certificate  Close out Report	
3		SDI D3	Reducing Water Leakages  Implementation of Water Demand Management  Revenue enhancement	Supply and Installation of Water Meters, Valves & Fire Hydrant  1.Philippolis 2. Faur-smith	Supply and Installation of Water Meters, Valves & Fire Hydrant by 30 June 2018	Water meters were installed in: Bethulie Edenburg Gariep Dam Trompsburg	0	(1)	The Municipality did not have sufficient funds as to implement all projects and therefore no project had appointed service provider.  Corrective Measure: 1.The Municipality to send a notice of extension for the validity period of the tender	Advertisement of the tender Appointment of service provider	Not achieved

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
				3. Reddersburg		Jagersfontein Springfontein					
4	IDP Objective: To provide access to water in a sustainable manner	SDI D4	Access to clean water	Upgrading of bulk water steel pipe in Bethulie	Site establishment of upgrading a bulk water steel pipe Bethulie by 30 June 2018	New KPI	0	(1)	No evidence to prove that site was established	Appointment letter of a contractor Site Visit Report	New KPI
5	IDP Objective: To provide access to water in a sustainable manner	SDI D5	Access to clean water	Upgrading of bulk Pipeline in Philippolis		New KPI	0	(1)	Project is still under construction.	Designs and drawing report  Advert for contractor Appointment letter of a contractor Site Visit Report	New KPI
6	IDP Objective:	SDI D6	Access to Sanitation	Upgrading of 3 Pump	Upgrading of 3 pump	77% of upgrad-	1	0	Not relevant target achieved	Practical completion	Not achieved

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	To provide acceptable sanitation Infrastructure.			Stations in Bethulie	stations in Bethulie 31 March 2018	ing was completed in 2016/2017				certificate Close out report	
7	IDP Objective: To provide acceptable sanitation Infrastructure	SDI D7	Access to Sanitation	Upgrading of Waste water Treatment Works in Philippolis	Project Design stage by 30 June 2018	New KPI	1	(1)	The Municipality did not have sufficient funds as to implement the project and therefore no project had appointed service provider.  Corrective Measure: 1. The Municipality to commence with advert and appointment of the tender for commencement of 2018/19 financial year	Advert and Appointment for Consultant  Designs and drawing Advert for contractor	New KPI
8	To ensure the provision of adequate and sustainable	SDI D8	Electrification of household	Monitoring the connection of 115 new electricity to households in Bethanie	115 Households electricity connection in Bethanie by 30 June 2018	New KPI	1	0	Not applicable target achieved	Monthly progress reports Close out report by Centlec	New KPI

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	electricity services to all customers										
9	To ensure the provision of adequate and sustainable electricity services to all customers	SDI D9	Electrification of household	Monitoring of upgrading the 1 mini substation in Bethulie	1 Mini substation in Bethulie by 30 June 2018	New KPI	1	0	Not applicable target achieved	Monthly progress reports Close out report by Centlec	New KPI
10	Upgrading of gravel roads, Internal roads and storm water channels.	SDI D10	Improvement of access roads and safety.	Construction of 1.5 km Paved Access road and storm water in Springfontein	Construction of 1.5 km Paved Access road and storm water in Springfontein by 31 March 2018	20% Construction of 1.5 km Paved Access road and storm water was com-	1	0	Not applicable target achieved	Practical completion certificate Close out report	Work in progress

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KPI No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
						pleted 2016/2017					
11	Creation of temporary jobs through implementation of EPWP Projects	SDI D11	Implementation of EPWP Strategy and complying to Public Works policies	Fencing of municipal Offices in Fauresmith	Fencing of municipal offices in Fauresmith by 30 June 2018	New KPI	0	(1)	The Municipality did not have sufficient funds as to implement the EPWP project and therefore no material was procured late.	Advert Employment contracts  Quarterly Site Visit Reports	New KPI
12	Creation of temporary jobs through implementation of EPWP Projects	SDI D12	Improvement of Municipal f	Renovation of Reddersburg Community Hall by 30 June 2018	Painting Refurbishment of toilets Installation of burglars	New KPI	0	(1)	The Municipality did not have sufficient funds as to implement the EPWP project and therefore material was procured late.	Appointment of project workers Progress report	New KPI
13	Creation of temporary jobs through implementation of	SDI D13	Retrofitting	Fixing of leakages to households in Kopanong	100 households in Kopanong by 30 June 2018	New KPI	0	(1)	The Municipality did not have sufficient funds as to implement the EPWP project and therefore material was procured late.	Advert Appointment of Plumbers Happy letter	New KPI

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KPI No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	EPWP Projects										
14	Creation of temporary jobs through implementation of EPWP Projects	SDI D14	Access to roads and storm water channels	Construction of 1km paved access road in Fauresmith by 30 June 2018	Project Design Stage by 30 June 2018	New KPI	1	0	Not applicable target achieved	Advert Appointment Design Drawings	New KPI
15	Creation of temporary jobs through implementation of EPWP Projects	SDI D15	Access to roads and storm water channels	Construction of 600m Paved access road in Bethulie by 30 June 2018	Project Design stage by 30 June 2018	New KPI	1	0	Not applicable target achieved	Advert Appointment Design Drawings	New KPI
16	Compliance on the conditions of Grants,	SDI D16	100% spending of capital budget on capital projects.	100% of a municipality capital budget spent on capital projects (MIG) identified for	100% spent on capital projects (MIG) 30 June 2018	R20,889,00 was spent in 2016/2017	72%	(28%)	Reasons for deviations: The Municipality did not have sufficient funds as to implement the MIG project and therefore no project had an appointed service provider.	100% MIG Action	Not achieved

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
				2017/2018 in terms of the municipality IDP by 30 June 2018.					Corrective Measure: 1. The Municipality to pay outstanding payment certificates so that the projects are completed and MIG money spent in full.		
17	Compliance on the conditions of Grants,	SDI D17	100% spending of capital budget on capital projects.	100% of a municipality capital budget spent on capital projects (RBIG) identified for 2017/2018 in terms of the municipality IDP by 30 June 2018.	100% spent on capital project RBIG  30 June 2018.	R3,000,000 was spent in 2016/2017	47%	(53%)	Reasons for deviations: The Municipality did not have sufficient funds as to implement the RBIG project and therefore no project had an appointed service provider.  Corrective Measure: 1. The Municipality to pay outstanding payment certificates so that the projects are completed and RBIG money spent in full.	100%  Progress reports	Achieved
18	Compliance on the conditions of Grants,	SDI D18	100% spending of capital budget on capital projects.	100% of a municipality capital budget spent on capital projects.	100% spent on capital project DOE.  30 June	R5,000,000 was spent in 2016/2017	0	(100%)	Reasons for deviations: The Municipality did not have sufficient funds as to implement the DOE project and therefore no project had an appointed	100%  DOE Monthly reports	Achieved

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
				jects (DOE) identified for 2017/2018 in terms of the municipality IDP by 30 June 2018.	2018				service provider.  Corrective Measure: 1. The Municipality to pay outstanding payment certificates so that the projects are completed and DOE money spent in full		
19	Compliance on the conditions of Grants,	SDI D19	100% spending of grant allocation	100% of a municipality spent on grant allocation (EPWP) identified for 2017/2018 in terms of the municipality IDP by 30 June 2018.	100% spent on capital project EPWP.  30 June 2018.	R1,155.000 was spent in 2016/2017	68%	(32%)	Reasons for deviations: The Municipality did not have sufficient funds as to implement the EPWP project and therefore no project had an appointed service provider.  Corrective Measure: 1. The Municipality to pay outstanding payment certificates so that the projects are completed and EPWP money spent in full	100%  Monthly Expenditure reports	Achieved
20	Compliance on the con-	SDI D20	100% spending of grant	100% of a municipality spent on	100% spent on capital project	R20,500,000 was	54%	(46%)	Reasons for deviations: The Municipality did not have sufficient funds as	100%  Monthly ex-	Not achieved

KPA			SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (TECHNICAL)								
KEY STRATEGIC OBJECTIVE			ERADICATE BACKLOGS IN ORDER TO IMPROVE ACCESS TO BASIC SERVICES AND ENSURE PROPER OPERATIONS AND MAINTENANCE OF THE INFRASTRUCTURE.								
KP I No	NDP-objective/goal	IDP Programme number	Key Performance outcome	Key Performance Indicator (KPI)	Annual Target	Baseline (June 2018)	Actual	Variance	Reason for deviation Corrective measure	Source of evidence	Actual 16/17
	ditions of Grants,		allocation	grant allocation (WSIG) identified for 2017/2018 in terms of the municipality IDP by 30 June 2018.	WSIG. 30 June 2018	spent in 2016/2017			to implement the WSIG project and therefore no project had an appointed service provider.  Corrective Measure: 1. The Municipality to pay outstanding payment certificates so that the projects are completed and WSIG money spent in full	penditure Report.	

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

### INTRODUCTION

The municipality develops a Workplace Skills Plan on an annual basis where all training needs are outlined and funding sourced for implementation of such training needs

T 4.0.1

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -16-17	Year -17-18			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	20	22	23	0	0.00%
Waste Water (Sanitation)	79	77	75	0.00	0.00
Electricity	0	0	0	0.00	0.00
Waste Management	1	1	1	1.00	100.00%
Housing	2	2	3	0.00	0.00
Waste Water (Stormwater Drainage)	66	60	59	0.00	0.00
Roads	126	122	121	0.00	0.00
Transport	21	24	21	3.00	1.00
Planning	16	20	16	4.00	4.00
Local Economic Development	2	3	3	0.0	0.00
Planning (Strategic & Regulatory)	4	4	4	0.0	0.00
IDP	2	2	2	0.0	0.00
Community & Social Ser-	67	67	50	9.0	2.00

vices					
Enviromental Protection	0	0	0	0.0	0.00
Health	0	0	0	0.0	0.00
Security and Safety	0	0	0	0.0	0.00
Sport and Recreation	0	0	0	0.0	0.00
Corporate Policy Offices and Other	57	55	53	3	0.12
Interns	3	5	5	0.0	0.00
Councillors	15	15	15	0.0	0.00
	481	479	451	20	7.1

*Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.*

*T 4.1.1*

Vacancy Rate: Year 2017/2018			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	1	0.00
Other S57 Managers (excluding Finance Posts)	2	1	0.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	49	12	9.00
Senior management: Levels 13-15 (Finance posts)	19	3	3.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	63	1	1.00
Highly skilled supervision: levels 9-12 (Finance posts)	22	0	0.00
<b>Total</b>	<b>130</b>	<b>18</b>	<b>13.00</b>

T 4.1.2



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year-14-15	34	19	56%
year-15-16	34	7	21%
year-17-18	21	17	81%
<i>The number of terminations is inclusive of deaths, resignations and dismissals</i>			41

#### COMMENT ON VACANCIES AND TURNOVER

2 section 56 managers' posts were vacant in the 201718 financial year

T 4.1.4

#### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

##### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Employment equity plan is in place and enforced until 2021. Employment equity report was submitted to the Department of Labour on the 28 March 2016 and related policies were reviewed and approved by council for this financial year 30 June 2016

T 4.2.0

## 4.2 POLICIES

HR Policies and Plans				
Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt	
	%	%		
<i>No policies were reviewed in 2017/18</i>				
<i>T 4.2.1</i>				

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	None	0		0	0
Temporary total disablement	none	0		0	0
Permanent disablement	none	0		0	0
Fatal	none	0		0	0
Total	0	0		0	0
<i>T 4.3.1</i>					

Number of days and Cost of Sick Leave (excluding injuries on duty)							
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost	
	Days	%	No.	No.	Days	R' 000	Total Cost
Highly skilled production (levels 6-8)	1366	0%	10	366	0.00	351	13683
Highly skilled supervision	69	0%	11	33	2.09	758	335'336

(levels 9-12)							
Senior management (Levels 13-15)	526	4%	71	56	9.00	1016	5087
MM and S57	19	0%	5	5	516.00	3144	11017
<b>Total</b>	<b>3172</b>		<b>423</b>	<b>486</b>		<b>5431</b>	<b>29787</b>
<p>* - Number of employees in post at the beginning of the year</p> <p>*Average is calculated by taking sick leave in column 2 divided by total employees in column 5. Entry level for our employees is guided by SALGA T-Level the entry level for General Worker is T4 Level 4 R5 647.33</p>							T 4.3.2

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
Unit Manager	Insubordination	03-Nov-15	Settled Reinstated	Nov-17
Unit Manager	Absenteeism and Theft	09-Dec-16	Settled Dismissed	May-18
Cashier	Theft		Referred to Labour Court	Settled in August 2017
General Worker	Absenteeism		Pending	Pending
General Worker	Absenteeism		Referred to Arbitration	Pending
				<i>T 4.3.5</i>

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
Cashier	Theft - Value R 2 200.00	Employee was re-employed	Settled on August 2017
Unit Manager		Dismissed	30-Mar-18
			<i>T 4.3.6</i>

#### 4.4 PERFORMANCE REWARDS

##### COMMENT ON PERFORMANCE REWARDS

As earlier mentioned, the Municipality has a performance management system however employees other than senior managers are not evaluated, this would also enable the identification of good performance versus poor performance, therefore good performance is currently not recognized, and only long-term service bonus is applicable to all employees of the municipality.

*T 4.4.1.1*

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female	0	0		
	Male	2	2		
MM and S57	Female				
	Male				
<b>Total</b>		<b>2</b>	<b>2</b>		
<i>Has the statutory municipal calculator been used as part of the evaluation process ?</i>					
					<i>T 4.4.1</i>

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Employment equity plan is in place and it is enforced until 2021. Employment equity report was submitted to Exco and related policies were reviewed and approved by council for this financial year 30 June 2017.

T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix													
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0										
			Learnerships		Skills programmes & other short courses				Other forms of training			Total	
			No.	Actual: End of Year - 1	Actual: End of Year 2017/2018	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Actual: End of Year - 1	Actual: End of Year 0
MM and s57	Female	0	0										
	Male	0	0										
Councillors, senior officials and managers	Female	0	0										
	Male	0	0										
Technicians and associate professionals*	Female	0	0										
	Male	0	0										
Professionals	Female	0	0										
	Male	0	0									0	0
Sub total	Female	0	0										
	Male	0	0									0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Registered with professional Associate Body e.g CA (SA)



Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	0	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

Skills Development Expenditure R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	500000					500000		
	Male	2								
Legislators, senior officials and managers	Female	27								
	Male	8								
Professionals	Female	24					50000			
	Male	14								
Technicians and associate professionals	Female	0								
	Male	2								
Clerks	Female	23								
	Male	35								
Service and sales workers	Female	0								
	Male	0								
Plant and machine operators and assemblers	Female	0								
	Male	2								
Elementary occupations	Female	100					500000			
	Male	22								
Sub total	Female	0	500000							
	Male	0								
<b>Total</b>		<b>261</b>	<b>500000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500000</b>	<b>0</b>		<b>456</b>
<i>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</i>									<i>%*</i>	<i>*R</i>
T4.5.3										



## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

## 4.6 EMPLOYEE EXPENDITURE

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	1
	Male	2
MM and S 57	Female	
	Male	
<b>Total</b>		<b>3</b>
<p><i>The Process Controllers were General Workers who were capacitated and provided with relevant training then elevated to their new positions with salary adjustments, each Unit/Town was beefed up with an extra driver to enable units to have two drivers who would assist and relieve each other, the Budget Manager was given an extra incentive due to the fact that she was compiling Annual Financial Statements in-house.</i></p>		T 4.6.2

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Financial Performance of Operational Services R '000						
Description	2016/2017	2017/2018			2017/2018 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	75,062	63,076	63,076	75,062	15%	15%
Waste Water (Sanitation)	16,742	20,909	20,909	16,742	-24%	24%
Electricity	54,650	69,279	69,279	54,650	-26%	-26%
Waste Management	19,032	18,429	18,429	19,032	3%	3%
Housing	-	-	-	-	-	-
Component A: sub-total	165,486	171,693	171,693	165,486	-4%	4%
Waste Water (Storm-water Drainage)	-	-	-	-	-	-
Roads	-	-	-	-	-	-
Transport	9,141	2,795	2,795	9,141	67%	67%
Component B: sub-total	9141	2795	2795	9141	67%	67%
Planning	1266	7,742	7,742	1,266	-5%	5%
Local Economic Development	-	-	-	-	-	-
Component B: sub-total	-	-	-	-	-	-
Planning (Strategic & Regulatory)	-	-	-	-	-	-
Local Economic Development	-	-	-	-	-	-
Component C: sub-total	1266	7742	-	1,266	-	-

			7742		-5%	5%
Community & Social Services	17,324	17,324	17,324	17,324	0%	0%
Environmental Protection	-	-	-	-	-	-
Health	-	-	-	-	-	-
Security and Safety	20	20	20	20	0%	0%
Sport and Recreation	725	725	725	725	0%	0%
Corporate Policy Offices and Other	161,920	161,920	161,920	161,920	0%	0%
Component D: sub-total	179,989	179,989	179,989	179,989	0%	0%
Total Expenditure	355,882	362,219	362,219	355,882	2%	0%

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. T 5.1.2

T 5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE: FINANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.*

Delete Directive note once comment is completed - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE:

### Kopanong Local Municipality

(Registration number FS162)

Annual Financial Statements for the year ended 30 June 2018

#### Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods		724 680	376 463
Service charges	19	100 848 179	105 119 160
Fees earned		5 037	3 966
Rental of facilities and equipment	20	1 104 367	1 169 872
Interest received (trading)		10 461 404	11 949 563
Insurance claims		3 200 931	-
Sundry income	21	985 158	1 160 222
Interest received - investment	22	211 996	1 041 039
<b>Total revenue from exchange transactions</b>		<b>117 541 752</b>	<b>120 820 285</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	23	18 221 984	16 265 881
<b>Transfer revenue</b>			
Government grants & subsidies	24	113 210 549	107 169 693
Fines, Penalties and Forfeits		-	34 048
<b>Total revenue from non-exchange transactions</b>		<b>131 432 533</b>	<b>123 469 622</b>
<b>Total revenue</b>	18	<b>248 974 285</b>	<b>244 289 907</b>
<b>Expenditure</b>			
Employee related costs	25	(107 874 407)	(102 740 736)
Remuneration of councillors	26	(5 255 981)	(3 527 609)
Administration	27	(1 311 429)	(2 200 654)
Depreciation and amortisation	28	(42 958 191)	(42 366 225)
Impairment loss/ Reversal of impairments		(1 636 651)	(132 843)
Finance costs	29	(27 909 524)	(23 302 298)
Lease rentals on operating lease		(1 082 150)	(2 000 078)
Debt Impairment	30	(54 803 372)	(41 620 974)
Repairs and maintenance	3	(6 182 291)	(6 566 128)
Bulk purchases	31	(76 592 657)	(86 352 749)
General expenses	32	(17 453 865)	(18 832 432)
<b>Total expenditure</b>		<b>(343 060 518)</b>	<b>(329 642 726)</b>
<b>Operating deficit</b>		<b>(94 086 233)</b>	<b>(85 352 819)</b>
Loss on disposal of assets		-	(3 066 782)
Actuarial gains	5	1 631 821	92 855
		<b>1 631 821</b>	<b>(2 973 927)</b>
<b>Deficit for the year</b>		<b>(92 454 412)</b>	<b>(88 326 746)</b>

\* See Note 39

## 5.2 GRANTS:

Description	Budget Year 2017/18				
	Adjusted Budget	Opening Balance	Received	Spend	Unspend
<b>Operating expenditure of Transfers and Grants</b>					
Local Government Equitable Share	67 330 000,00		67 330 000,00	67 330 000,00	-
EPWP Incentive	1 000 000,00		1 000 000,00	1 067 779,06	67 779,06
Finance Management	1 700 000,00		1 700 000,00	1 700 000,00	-
<b>Total</b>	70 030 000,00	-	70 030 000,00	70 097 779,06	67 779,06
<b>Capital expenditure of Transfers and Grants</b>					
Municipal Infrastructure Grant (MIG)	30 033 000,00	-578 435,11	30 033 000,00	21 768 750,36	-8 842 684,75
Regional Bulk Infrastructure	3 000 000,00	0,12	939 051,88	440 690,59	-498 361,17
Mwig	20 000 000,00	-6 042 185,25	19 000 000,00	10 526 888,10	-14 515 297,15
DOE	4 500 000,00		4 500 000,00	4 872 018,19	-372 018,19
<b>Total</b>	57 533 000,00	-6 620 620,24	54 472 051,88	37 608 347,24	-24 228 361,26
<b>Main Total</b>	127 563 000,00	-6 620 620,24	124 502 051,88	107 706 126,30	-24 228 361,26

5.5 CAPITAL EXPENDITURE

<b>Capital expenditure 2017/2018</b>		
<b>Description</b>	<b>Amount Received</b>	<b>Amount Spent</b>
Municipal Infrastructure Grant	30 033 000,00	21 768 750,36
Expanded Public Works Program	1 000 000,00	1 067 779,06
Regional Bulk Infrastructure Grant	939 051,88	939 051,88
Water Services Infrastructure Grant	19 000 000,00	10 526 888,10
<b>Total</b>	<b>50 972 051,88</b>	<b>34 302 469,40</b>
<i>T 5.5.1</i>		

5.7.7 CAPITAL SPENDING ON:

Three year (2015/16, 2016/17 &2017/18) Capital Plan for addressing Infrastructure Backlogs in terms of Municipal Grant (MIG, RBIG, ACIP, EPWP, ACIP, and WSIG):

1. INFRASTRUCTURE PROJECT (MIG) 2015 -2016

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANNED EXPENDITURE	PROJECT STATUS	WARD
Edenburg: Rehabilitation of landfill site	R4 383 106.16	2014/10/15	2015/07/31	R 174 432.97	100% completed	WARD 8
Reddersburg: Rehabilitation of landfill site	R6 701 537.11	2014/10/15	2015/07/31	R 262 766.11	80% physical progress on site	WARD 1
Gariiep Dam:Upgrading of Waste Water treatment	R 9 912 779.51	2013/05/21	2015/08/31	R 843 024.07	100% completed	WARD 4
Reddersburg: Recreational/Sports facility	R 8 803 186.70	2014/09/19	2015/10/30	R 3 563 492.94	100% completed	WARD 1
Jagersfontein: Rehabilitation of landfill site	R3 926 645.00	2015/07/10	2015/11/30	R 3 131 358.48	Advertisement for procurement, Evaluation report and adjudication processes were in progress.	WARD 6
Fauresmith : Rehabilitation of landfill site	R5 810 722.50	2015/07/10	2015/11/30	R 3 442 564.52	Advertisement for pro-curement, Evaluation report and adjudication processes were in progress.	WARD 7

2. DWA FUNDED PROJECTS: RBIG 2015-2016

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANNED EXPENDITURE	PROJECT STATUS	WARD
Fauresmith 2.3mg/l concrete reservoir	R9 097 292.25	2012/11/20	2015/07/31	R6 201 207.17	85% physical progress on site	WARD 7
Jagersfontein treatment works- Civil	R10 015 658.55	2013/01/16	2014/11/28	R9 390 780.84	95% physical progress on site	WARD 6
Jagersfontein – fauresmith pipe line 11,2 km	R14 899 421.82	2013/01/16	2013/11/29	R14 257 748.57	100% physical progress on site	WARD 6 & 7
Jagersfontein treatment works- Mechanical	R 5 004 657.00	2013/01/16	2014/11/28	R2 611 400.70	55% physical progress on site	WARD 6
Jagersfontein-Bulk pipeline	R 3 127 500.00			R3 000 000.00	Advertisement for pro-curement, Evaluation report and adjudication processes were in progress.	WARD 6
		2015/08/07	2015/12/04			
Fauresmith-Bulk pipeline	R 2 245 670.05			R2 000 000.00	Advertisement for pro-curement, Evaluation report and adjudication processes were in progress.	WARD 7
		2015/08/07	2015/12/04			

### 3. EPWP PROJECTS (INCENTIVES) 2015-2016

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Updating of indigents register, title deeds, water population and Municipal Profiling	184 800,00	01/06/2015	31/08/2015	184 800,00	Complete	ALL WARDS
Fauresmith: Fencing of cemetery	88 000,00	01/06/2015	31/08/2015	88 000,00	Complete	WARD 7
Trompsburg: Cleaning of cemeteries, storm water channels and landfill sites	110 000,00	12/05/2015	27/11/2015	110 000,00	Complete	WARD 2
Philipolis: Cleaning of cemeteries, storm water channels and landfill sites	110 000,00	12/05/2015	27/11/2015	110 000,00	Complete	WARD 4
Reddersburg: Cleaning of cemeteries, storm water channels and landfill sites	110 000,00	12/05/2015	27/11/2015	110 000,00	Complete	WARD 1
Jaggersfontein: Fencing of cemeteries	345 000,00	03/08/2015	30/10/2015	345 000,00	Complete	WARD 6
Bethulie: Cleaning of cemeteries, storm water channels and landfill sites	110 000,00	01/02/2016	29/07/2016	110 000,00	Complete	WARD 3
Gariiep Dam: Cleaning of cemeteries, storm water channels and landfill sites	66 000,00	04/04/2016	30/09/2016	66 000,00	Complete	WARD 4
Edenburg: Cleaning of cemeteries, storm water channels and landfill sites	66 000,00	04/04/2016	30/09/2016	66 000,00	Complete	WARD 8
Springfontein: Cleaning of cemeteries storm water channels and landfill sites	66 000,00	04/04/2016	30/09/2016	66 000,00	Complete	WARD 5

Data Capture	30 000,00	01/02/2016	29/07/2016	30 000,00	Complete	ALL WARDS
PPE	77 200,00			77 200,00	Complete	ALL WARDS

#### 4. ELECTRIFICATION PROJECTS (FUNDED BY THE DEPARTMENT OF ENERGY) 2015-2016

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Connection of 56 households in Jagersfontein/Charleville	R 672 000.00	01/06/2015	31 June 2016	R 672000.00	Completed	Ward 6
Connection of 67 households in Gariep Dam/Hydropark	R 804 000.00	01/06/2015	31 June 2016	R 804 000.00	Completed	Ward 4
Connection of 10 households in Sprinfotein/Maphodi	R 120 000.00	01/06/2015	31 June 2016	R 120 000.00	Completed	Ward 5
<b>TOTAL</b>	<b>R 1.6 Million</b>					

#### 1. INFRASTRUCTURE PROJECT (MIG) 2016-2017

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Reddersburg: Rehabilitation of landfill site	R6,701,537.00	9/19/2014	6/30/2017	R6,701,537.00	85% physical progress on site	WARD 1

Reddersburg: Recreation- al/Sports facility	R8,803,187.00	9/19/2014	6/30/2017	R8,803,187.00	85% physical progress on site	WARD 1
Fauresmith: Rehabilitation of landfill site	R3,969,556.00	1/26/2016	4/28/2017	R3,809,556.00	Practical Completion	WARD 7
Jagersfontein: Rehabilitation of landfill site	R8,626,910.00	10/2/2017	5/31/2018	R1,370,271.49	Planning stage	WARD 6
Springfontein: Upgrading of sports facility	R9,200,000.00	6/12/2017	6/30/2018	R569,176.62	Planning stage	WARD 5
Bethulie/Lephoi: Upgrading of sewer pump stations	R2,450,000.00	5/21/2016	6/30/2017	R2,039,600.00	The project is on	WARD 3
Springfontein: Closure of existing solid waste site and construction of a waste transfer facility	R5,200,000.00	6/4/2018	2/28/2019	R136,800.00	The project is on design stage	WARD 5
Springfontein: Construction 1.5km paved road phase 1 and storm water channels	R16,217,435.00	4/7/2017	11/28/2018	R1,163,171.69	The project is on design stage	WARD 5

## 2. DWA FUNDED PROJECTS: RBIG 2016-2017

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Fauresmith 2.3mg/l concrete reservoir	R9 097 292.25	2012/11/20	2015/07/31	R8 713 303.59	85% physical progress on site	WARD 7
Jagersfontein treatment works- Civil	R10 015 658.55	2013/01/16	2014/11/28	R10 015 658.55	95% physical progress on site	WARD 6
Fauresmith Bulk Pipeline	R2 245 670.05	2016/02/05	2016/08/15	R2 003 259.69	100% physical progress on site	WARD 7
Jagersfontein – Fauresmith pipeline 11,2 km	R16 899 421.82	2013/01/16	2013/11/29	R16,232,976.30	100% physical progress on site	WARD 6 & 7
Jagersfontein treatment works- Mechanical	R5 927 239.13	2013/01/16	2014/11/28	R5 176 419.95	55% physical progress on site	WARD 6

3.DWA FUNDED PROJECTS: WSIG 2016-2017

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Augment water supply and increase water pressure and WDM: Reddersburg(Elevated Tank)	R6 068 394.42	2017/02/02	2017/10/31	R 521 536.32	30% physical progress on site	WARD 1
Augment water supply and increase water pressure and WDM: Reddersburg(Pipeline)	R7,465,663.92	2017/02/02	2017/08/31	R 1 034 608.70	15% physical progress on site	WARD 1

### 3. EPWP PROJECTS (INCENTIVES) 2016-2017

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Jagersfontein: Fencing of cemeteries	R 345 000,00	01/06/2016	31/08/2016	R40 300.00	Complete	6
Bethulie: Cleaning of cemeteries, storm water channels and landfill sites	R 132 000,00	04/04/2016	30/09/2016	R84 590.00	Complete	3
Springfontein: Cleaning of cemeteries, stormwater channels and landfill sites	R 132 000,00	04/04/2016	30/09/2016	R84 550.00	Complete	5
Gariiep Dam: Cleaning of cemeteries, stormwater channels and landfill sites	R 150 000,00	01/06/2016	31/01/2017	R144 260.00	Complete	4
Edenburg: Cleaning of cemeteries, stormwater channels and landfill sites	R 150 000,00	01/06/2016	31/01/2017	R125 210.00	Complete	8
Jagersfontein: Cleaning of cemeteries, stormwater channels and landfill sites	R 150 000,00	01/02/2017	31/07/2017	R 45 060.00	Complete	6
Fauresmith: Cleaning of cemeteries, stormwater channels and landfill sites	R 150 000,00	01/02/2017	31/07/2017	R45 660.00	Complete	7
Data Capture	R 60 000,00	01/06/2016	31/05/2017	R97 880.00	In Progress	

Trompsburg: Renovation of Caleb Motshabi Stadium	R 150 000,00	03/04/2017	31/07/2017	R0	Planning stage	2
Philipolis: Fencing of Hall	R 345 000,00	03/04/2017	31/07/2017	R150 660.00	In Progress	4

4. ELECTRIFICATION PROJECTS (FUNDED BY THE DEPARTMENT OF ENERGY) 2016-2017

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	EXPENDITURE TO DATE	PROJECT STATUS	WARD
Connection of 195 households in Bethulie/Cloetespark	R 3 069 000.00	01/06/2016	31 June 2017	R 3 069 000.00	Completed	Ward 3
Connection of 30 households in Springfontein/Maphodi	R 456 000.00	01/06/2016	31 June 2017	R 456 000.00	Completed	Ward 5
Connection of 40 households in Trompsburg/Phalisoview	R 620 000.00	01/06/2016	31 June 2017		Completed	Ward 2
Connection of 42 infills to households in Jagersfontein	R 293 000.00	01/06/2016	31 June 2017	R 293 000.00	Completed	
Connection of 42 infills to households in Edenburg/Ha-Ra-Sebei	R 293 000.00	01/06/2016	31 June 2017	R 293 000.00	Completed	
Connection of 20 infills to households in Bethulie/Maphodi	R 140 000.00	01/06/2016	31 June 2017	R 140 000.00	Completed	
Connection of 20 infills to households in Faur-smith/Ipopeng	R 63 000.00	01/06/2016	31 June 2017	R0.00	Completed	

Total	R 5 Million					
-------	-------------	--	--	--	--	--

1. INFRASTRUCTURE PROJECT (MIG) 2017-2018

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANNED EXPENDITURE	PROJECT STATUS	WARD
Fauresmith: Rehabilitation of landfill site	R3,969,556.00	1/26/2016	4/28/2017	R3,969,556.00	100% physical progress on site	WARD 7
Jagersfontein: Rehabilitation of landfill site	R8,626,910.00	10/2/2017	5/31/2018	R8,626,910.00	EIA Stage	WARD 6
Springfontein: Upgrading of sports facility	R9,200,000.00	6/12/2017	6/30/2018	R 5 550 870,41	38 % physical progress on site	WARD 5
Bethulie/Lephoi: Upgrading of sewer pump stations	R2,450,000.00	5/21/2016	6/30/2017	R2,450,000.00	100% physical progress on site	WARD 3
Springfontein: Closure of existing solid waste site and construction of a waste transfer facility	R5,200,000.00	6/4/2018	2/28/2019	R 136 800.00	EIA Stage.	WARD 5
Springfontein: Construction 1.5km paved road phase 1 and storm water channels	R16,217,435.00	4/7/2017	11/28/2018	R 15 956 773.89	100% physical progress on site	WARD 5
Bethulie/Lephoi: Construction of 600m paved road and storm water channels	R6,486,972.00	6/3/2019	4/20/2020	R1,486,972.00	Design Stage.	WARD 3

Gariep dam: Rehabilitation of landfill site	R5,200,000.00	5/30/2018	8/30/2019	R 439 793.09	EIA Stage.	WARD 4
Trompsburg: Rehabilitation of landfill site	R8,131,319.87	5/30/2018	8/30/2019	R 908 224.00	EIA Stage.	WARD 2
Philippolis: Upgrading of sports facility	R6,000,000.00	10/31/2017	12/15/2017	R 346 224.00	Design Stage.	WARD 4
Fauresmith: Installation of water meters and valves	R1,900,000.00	9/22/2018	3/31/2019	R1,900,000.00	100% physical progress on site	WARD 7
Philippolis: Installation of water meters and valves	R1,900,000.00	3/1/2019	6/30/2020	R1,900,000.00	100% physical progress on site	WARD 4

2.DWA FUNDED PROJECTS: RBIG 2017-2018

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANNED EX-PENDITURE	PLANNED PROJECT STATUS	WARD
Fauresmith 2.3mgl concrete reservoir	R9 097 292.25	2012/11/20	2015/07/31	R9 097 292.25	100% physical progress on site	WARD 7
Jagersfontein treatment works-Civil	R10 015 658.55	2013/01/16	2014/11/28	R10 015 658.55	100% physical progress on site	WARD 6
Fauresmith Bulk Pipeline	R2 245 670.05	2016/02/05	2016/08/15	R2 245 670.05	100% physical progress on site	WARD 7

Jagersfontein – Fauresmith pipe line 11,2 km	R16 899 421.82	2013/01/16	2013/11/29	R16 899 421.82	100% physical progress on site	WARD 6 & 7
Jagersfontein treatment works-Mechanical	R5 927 239.13	2013/01/16	2014/11/28	R5 927 239.13	100% physical progress on site	WARD 6

### 3.DWA FUNDED PROJECTS: WSIG 2017-2018

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANED EX-PENDITURE TO DATE	PLANNED PROJECT STATUS	WARD
Augment water supply and increase water pressure and WDM: Reddersburg(Elevated Tank)	R6 068 394.42	2017/02/02	2017/10/31	R6 068 394.42	100% physical progress on site	WARD 1
Augment water supply and increase water pressure and WDM: Reddersburg(Pipeline)	R7 465 663.92	2017/02/02	2017/08/31	R7 465 663.92	100% physical progress on site	WARD 1
Bethulie: Upgrade of Bulk Water Steel Pipeline	R3 000 000.00	2017/09/08	2018/06/30	R3 000 000.00	100% physical progress on site	WARD 3
Philippolis: Upgrading of Bulk Distribution Water Pipe-line	R1 800 000.00	2017/09/08	2018/06/30	R1 800 000.00	100% physical progress on site	WARD 4
Philippolis: Upgrading of Waste Water Treatment Works	R7 000 000.00	2017/09/08	2018/06/30	R7 000 000.00	100% physical progress on	WARD 4



					site	
--	--	--	--	--	------	--

2. ELECTRIFICATION PROJECTS (FUNDED BY THE DEPARTMENT OF ENERGY) 2017/18

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANNED EXPENDITURE	PLANNED PROJECT STATUS	WARD
Connection of 115 households in Bethanie	R 1 782 500.00	01/06/2017	31 June 2018	R 1 782 500.00	100% physical progress on site	WARD 1
Upgrading of Bethulie Sub-station	R 2 717 500.00	01/06/2017	31 June 2018	R 2 717 500.00	100% physical progress on site	WARD 3

### 3. EPWP PROJECTS (INCENTIVES) 2017-2018

PROJECT NAME	PROJECT VALUE	START DATE	COMPLETION DATE	PLANNED EX-PENDITURE	PROJECT STATUS	WARD
Data Capture	R120 000.00	03/07/2017	31/08/2018	R 120 000.00	Complete	2
Trompsburg: Renovation of Caleb Motshabi Stadium	R150 000.00	01/08/2017	15/06/2018	R 100 000.00	Complete	2
Phillipolis: Fencing of Hall	R270 000.00	10/02/2017	15/12/2017	R 66 000.00	Complete	4
Jagersfontein: Cleaning of cemeteries, stormwater channels and landfill sites	R150 000.00	04/04/2017	15/12/2017	R 80 000.00	Complete	6
Fauresmith: Cleaning of cemeteries, stormwater channels and landfill sites	R150 000.00	04/04/2017	15/12/2017	R 80 000.00	Complete	7
Edenburg: Cleaning of cemeteries, storm water channels and landfill sites	R150 000.00	09/04/2018	28/09/2018	R 100 000.00	100% physical progress on site	8
Kopanong: Plumbers for old location pipe line leakages in four towns	R365 000.00	25/06/2018	31/01/2019	R 294 000.00	100% physical progress on site	
Reddersburg: Renovation of community	R90 000.00	19/06/2018	28/09/2018	R 90 000.00	100% physical	1

---

hall					progress on site	
Fauresmith: Fencing of municipal offices	R70 000.00	18/06/2018	28/09/2018	R 70 000.00	100% physical progress on site	7

## BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The total population is 49 999 which is organized as 13 746 households. The municipality experience with sewerage blockages, spillages, water pipe leakages, bursts and low water pressure. The number of population and households has increased as the existing network was constructed far back 1994, thus affecting the efficiency of the network. It is imperative that the current network be upgraded to accommodate the current population and future developments. The causes of sewer blockages, spillages, water pipe leakages and burst are as follows: 1. Aging and decaying infrastructure which is beyond its expected life span 2. The small capacity of the network which can longer withstand the current growth 3. The capacity of the sewerage pumps can longer withstand the current population growth 4. Regular blockages are beyond municipal maintenance capacity.

T 5.8.1

#### Service Backlogs as at 30 June Year 2017/2018 Households (HHs)

	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	13 746	99.9%	15	0.1%
Sanitation	13 746	99.9%	15	0.1%
Electricity	13 482	97.9%	279	2.0%
Waste management	13 761	100%	0	0%
Housing	13746	99%		%
Water				13 746

Municipal Infrastructure Grant (MIG)* Expenditure Year 2017/2018 on Service backlogs R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major condi- tions applied by donor (con- tinue below if necessary)
				Budget	Adjust- ments Budget	
Infrastructure - Road transport	2795	2795	9,141	69%	69%	
<i>Roads, Pavements &amp; Bridges</i>	-	-				
<i>Storm water</i>	-	-				
Infrastructure - Electricity	69,279	67,279	54,650	-27%	-27%	
<i>Generation</i>	-	-				
<i>Transmission &amp; Reticulation</i>	-	-				
<i>Street Lighting</i>	-	-				
Infrastructure - Water	63,076	63,076	75,062	16%	16%	
<i>Dams &amp; Reservoirs</i>	-	-				
<i>Water purification</i>	-	-				
<i>Reticulation</i>	-	-				
Infrastructure – Sanitation	20,909	20,909	19,032	-10%	-10%	
<i>Reticulation</i>	-	-				
<i>Sewerage purification</i>	-	-				
Infrastructure – Other						
<i>Waste Management</i>	18,429	18,429	16,741	-9%	-9%	
<i>Transportation</i>	-	-				
<i>Gas</i>	-	-				
<i>Other Specify:</i>	-	-				
<b>Total</b>	<b>174,488</b>	<b>174,488</b>	<b>174,626</b>	<b>39%</b>	<b>39%</b>	

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

Three year Capital Plan for addressing Infrastructure Backlogs in terms of Municipal Infrastructure Grant (MIG):

PROJECTS	COST ESTIMATE	PLANNED FINANCIAL YEAR OF IMPLEMENTATION	STATUS OF THE BUSINESS PLAN
Bethulie: Upgrading of access road and storm water (0.4km)	R6,486,972.39	2017/2018	Evaluation
Springfontein: Construction 1 km paved road phase 2 and storm water channels	R10,811,623.23	2017/2018	Evaluation
Trompsburg: Permitting and Closure of Existing Disposal Site and Construction of a new Disposal Site	Applied for: R8,131,319.87 Recommended by sector Department: R6,505,056.00	2016/2017	Recommended with an amount lesser by R1,626,263.87 to the applied amount.
Gariiep Dam: Permitting and Closure of Existing Disposal Site and Construction of a new Disposal Site	Applied for: R5,200,000.00  Recommended by sector Department: R4,160,000	2016/2017	Recommended with an amount lesser by R1,040,000 to the applied amount.

Water Services Infrastructure Grant (WSIG):

Projects	Cost Estimate	Planned Financial year of Implementation	Status of the Business plan
Springfontein Waste Water Treatment Works (KLM/SPR/WWTW/10/2016)	R16,127,830.00	2017/2018	Evaluation
Jagersfontein WTW- Backwash Water Reclamation (KLM/JGR/RCL/09/2014)	R14,957,898.51	2017/2018	Evaluation
Jagersfontein Bulk Pipe-Line (KLM/JAGR/BW/05/2015)	R6,669,349.95	2017/2018	Evaluation
Upgrading of Bulk Water Steel Pipe-Line (KLM/bet/wt/11/2014)	R6,000,000.00	2017/2018	Evaluation
Philippolis: Upgrading of Bulk Distribution Water Pipe-line (KLM/phill/wtp/09/2016)	R3,000,000.00	2017/2018	Evaluation
Philippolis: Upgrading of Bulk Distribution Water Pipe-Line (KLM/phill/wwtp/09/2016)	R12,315,120.00	2017/2018	Evaluation

Accelerated Community Infrastructure Programme (ACIP):

Projects	Cost Estimate	Planned Financial year of Implementation	Status of the Business plan
Replacement of Asbestos Pipes in Kopanong Local Municipality	R140,333,407.20	2017/2018	Evaluation
Refurbishment of Edenburg Waste Water Treatment Works	R5 520 000-00	2017/2018	Evaluation
Refurbishment of Jagersfontein Waste Water Treatment Works	R 7 053 000-00	2017/2018	Evaluation
Refurbishment of Philippolis Waste Water Treatment Works	R 7 150 125.00	2017/2018	Evaluation
Refurbishment of Reddersburg Waste Water Treatment Works	R 7 150 125.00	2017/2018	Evaluation
Refurbishment of Springfontein Waste Water Treatment Works	R 7 150 125.00	2017/2018	Evaluation
Refurbishment of Gariep pump station	R1 640 000.00	2017/2018	Evaluation
Refurbishment of Springfontein pump station	R1 240 000.00	2017/2018	Evaluation

#### XDM DROUGHT RELIEF DISASTER FUND

Projects	Cost Estimate	Planned Financial year of Implementation	Status of the Business plan
XDM Drought Disaster Management	R 78 171 480.00	2017/2018	Submitted to XDM

---

---

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.10 BORROWING AND INVESTMENTS

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy; Policy on unauthorized, Irregular, Fruitless and Wasteful Expenditure and Infrastructure Procurement and Delivery Management Policy were reviewed and approved by Council.

Amended SCM regulations 2017 were incorporated into SCM Policy for implementation.

There is no Councilor who is a member of any bid committee handling SCM processes. SCM Manager, SCM Officer and SCM Clerk have attained minimum competency level (MFMP and CPMD).

The Municipality has improved systems and controls to be in line with the MFMA and SCM Regulations and other related prescripts.

The Auditor General has raised concerns that constituted irregular expenditure and the following cases were identified.

1. The bid adjudication committee was not fully constituted according to Regulation 29 of the SCM Regulations at the time of awarding projects in previous years.
2. Money appropriated in terms of DORA that remained unspent at year end for which cash or cash equivalent exist at year end
3. Evaluation functionality criteria differ from bid specifications
4. Supply chain processes were not followed in full
5. Awards were made to a bidder whose tax matters were not in order
6. Award was made to a bidder who does not meet a minimum CiDB grading requirements
7. Performance of external service providers was not always monitored on a monthly basis

*T 5.12*

---

### 5.13 GRAP COMPLIANCE:

#### GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Municipality did not comply with the GRAP 104 financial instruments as amounts used for impairment of debtors was materially misstated in 2017.

Municipality did not comply with GRAP 2, Cash flow statements as cash flows from operating activities and financing activities were misstated in 2017.

*T 5.13.1*

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS:

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year 2016/17

#### 6.1 AUDITOR GENERAL REPORTS Year 2016/2017

2016/17 financial year, the municipality received a qualified Audit Opinion from the AGSA. The following matters of qualification, emphasis, non-compliance and the annual performance report were highlighted in that report

Auditor-General Report on Financial Performance: Year 2016/17	
Non-Compliance Issues	Remedial Action Taken
Basis for qualified opinion	
Receivables from exchange transactions	
<p>1 Gross receivables from exchange transactions disclosed in note 9 to the financial statements were not assessed for impairment as per the requirements of GRAP 104 <i>Financial instruments</i>. The municipality only made a general provision and did not consider whether objective evidence exists that individually significant receivables and/or a group of receivables with similar credit risk characteristics is collectively impaired. As the relevant information pertaining to the estimated future cash flows was not available, I was not able to determine the impact on the net amount for receivables from exchange transactions, as it was impracticable to do so. Furthermore, I was unable to obtain sufficient and appropriate audit evidence for the difference noted between the gross debtors' amounts per the financial statements and the gross debtors' amounts used in the impairment calculation. Additionally, there was a resultant impact on debt impairment as disclosed in note 27 to the annual financial statements. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transaction stated at R26 182 516 in the financial statements.</p>	<p>Action taken: An impairment policy to be compiled. Municipality will ensure that all impairment calculations are in the AFS</p>

<p>2 The municipality incorrectly calculated interest on overdue accounts at a rate contrary to the approved tariffs of the council. Consequently, receivables from exchange transactions as disclosed in note 9 to the financial statements is understated by R4 844 418 and interest received income understated by a similar amount.</p>	<p>Action taken: Municipality will do recalculation of interest on all accounts for 2016/17</p>
<p>Receivables from non-exchange transactions</p>	
<p>Gross receivables from non-exchange transactions as per note 7 to the financial statements were not assessed for impairment as per the requirements of GRAP 104 <i>Financial instruments</i>. The municipality only made a general provision and did not consider whether objective evidence exists that individually significant receivables and/or a group of receivables with similar credit risk characteristics are collectively impaired. As the relevant information pertaining to the estimated future cash flows was not available, I was not able to determine the impact on the net amount for receivables from non-exchange transactions, as it was impracticable to do so.</p>	<p>Action taken: Municipality will check the total population of accounts with credit balances.</p>
<p>Payables from exchange transactions</p>	
<p>I was unable to obtain sufficient appropriate audit evidence for payment received in advance of R10 573 658 as disclosed in note 14 to the financial statement, as I could not determine whether there were any obligations towards the debtors. I could not confirm the payments in advance by alternative means. In addition, differences were identified between third-party statements and the salary payables, resulting in trade and other payables from exchange transactions being overstated by R9 234 873 and employee cost overstated by the same amount. Furthermore, I was unable to obtain sufficient appropriate audit evidence for retention, as internal con-</p>	<p>Action taken: All third party statement to be requested, filed for audit purposes and reconciled to salary creditors</p> <p>Commitment register will be prepared to ensure that Retention is disclosed separately to ensure that it is correctly disclosed in the AFS</p> <p>Centlec Journals will be adequately reviewed by the CFO prior to processing.</p>

<p>trols had not been established for the recognition of retention as well as the difference between the payables listing and ledger. Consequently, I was unable to determine whether any further adjustments were necessary to trade and other payables from exchange transactions stated at R291 442 675 in the financial statements.</p>	
<p>The municipality incorrectly recorded the payables owed to the electricity service organisation against the accumulated surplus account. Consequently, payables from exchange transactions were understated by R17 912 200 and accumulated surplus was overstated by the same amount.</p>	<p>Action taken: Timeous appointment of Consultants to review the AFS</p>
<p>Statement of changes in net assets</p>	
<p>I was unable to obtain sufficient appropriate audit evidence for the restated opening balance of accumulated surplus, as the supporting information was not provided. I was unable to confirm the opening balance by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to the restated opening balance of accumulated surplus stated at R734 651 249 in the financial statements.</p>	<p>Action taken: Timeous appointment of Consultants to review the AFS</p>
<p>Cash flow statement</p>	
<p>The municipality did not present the cash flow statement in accordance with SA Standards of GRAP, GRAP 2, <i>Cash flow statements</i>. The cash flows from operating activities and financing activities are misstated, resulting in the cash flow statement being misstated by R11 965 748.</p>	<p>Action taken: Timeous appointment of Consultants to review the AFS</p>
<p>Unauthorised expenditure</p>	
<p>The municipality did not calculate unauthorised expenditure as disclosed in note 41 in the current year per vote, as a result I was unable to obtain sufficient appropriate audit evidence in the current year for unauthorised expenditure of R67 387 246. I was unable to confirm the balance by alternative means. Consequently, I was un-</p>	<p>Action taken: Timeous appointment of Consultants to review the AFS</p>

ble to determine whether any further adjustment was necessary to the current year unauthorised expenditure stated at R67 387 246 in note 41 to the financial statements.	
Material uncertainty related to going concern	
<p>1. I draw attention to the matter below. My opinion is not modified in respect of this matter:</p> <p>Note 37 in the financial statements, which indicates that the municipality incurred a net loss of R88 078 861 (2016: R83 839 942) during the year ended 30 June 2017 and, as of that date, the municipality's current liabilities exceeded its current assets by R274 070 938 (2016: R207 072 996). The municipality has been deducting pay as you earn taxes, pension fund and medical aid funds from employees' salaries, but has been unable to pay over R59 130 474 (2016: R36 176 724) of these amounts deducted to the relevant third parties as disclosed in note 13: payables from exchange. In addition, the municipality owed the water board R195 408 466 as at 30 June 2017, which was long overdue and was included with trade payables disclosed in note 14 to the financial statements. These conditions, along with other matters as set forth in note 37 indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.</p>	<p>Action taken: Management will make a going concern assessment and make a full disclosure in the financial statements.</p>
Emphasis of matters	
Restatement of corresponding figures	
As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during	<p>Action taken: All uncorrected misstatements will be corrected with 2017/2018 financial statements.</p>

2016-17 in the financial statements of the municipality at, and for the year ended, 30 June 2016.	
<b>Material losses</b>	
As disclosed in note 48 to the financial statements, material electricity losses of R8 278 827 and water distribution losses of R13 512 953 were incurred by the municipality, mainly due to the ageing electricity and water infrastructure.	Action taken: "National treasury have allocated R 25 million for improvement of infrastructure which will assist in the two towns. A reservoir in Trompsburg and Tank and pipeline in Reddersburg which will improved infrastructure. There is also R9 million from MIG for water meters. This will make a little improvement in losses.  Upgrading of a Bulk pipe line in Bethulie and Philipollis "
As disclosed in note 20 to the financial statements, the municipality had foregone revenue of R25 356 246 (2016: R23 509 404) due to the council's exemption policy on property rates charged during the financial year.	Action taken: This was the write off of indigents account only. Which happens on yearly basis at year end.
As disclosed in note 9 to the financial statements, material debtors balances were written off against the impairment provision of R25 564 493 (2016: R14 728 561) as a result of a write-off of irrecoverable receivables from exchange transactions.	Action taken: This was the write off of indigents account only. Which happens on yearly basis at year end.
<b>Material underspending of the water service infrastructure grant</b>	Action taken: Municipality has applied for rollover as the contract was terminated and upon approval by National Treasury, this spending will be implemented.
As disclosed in the note 21 to the annual financial statements, the municipality has materially underspent the budget on the water service infrastructure grant to the amount of R13 108 185 due to a pending court case.	
<b>Material impairments</b>	
As disclosed in note 7 to the financial statements, receivables from non-exchange transactions were impaired by R20 415 343 (2016: R15 207 530) and, as disclosed in note 9 to the financial statements, receivables from exchange transactions were impaired	Action taken: "Municipality has appointed a service provider to assist with installation of water meters and management, and to investigate instances of water losses.  Arrange a meeting with Centlec to discuss the

by R141 726 849 (2016: R124 812 509).	electricity usage and billing. "
<b>Irregular expenditure</b>	
As disclosed in note 43 to the financial statements, the municipality incurred irregular expenditure of R30 557 049 (2016: R25 074 130) during the year due to non-compliance with supply chain management requirements. In addition, the full extent of irregular expenditure during the year was still in the process of being determined.	Action taken: "• SCM policy and processes will be followed to avoid irregular expenditure and a report will be submitted to council on a quarterly basis.  • Section 32 committee will investigate irregular expenditure and submit report to Council. "
<b>Fruitless and wasteful expenditure</b>	
As disclosed in note 42 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R24 185 847 (2016: R19 155 122) during the year due to interest and penalty charges on the late payment of suppliers.	Action taken: "• SCM policy and processes will be followed to avoid irregular expenditure and a report will be submitted to council on a quarterly basis.  • Section 32 committee will investigate irregular expenditure and submit report to Council. "
<b>Report on the audit of the annual performance report</b>	
<b>KPA 1 – Service delivery and infrastructure development – Technical services</b>	
<b>Various indicators</b>	
I was unable to obtain sufficient appropriate audit evidence for the reported achievement of indicators listed below. This was due to inadequate technical indicator descriptions and/or formal standard operating procedures or documented systems descriptions that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information (FMPPI). I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.	Action taken: The Municipality will set Technical indicators that have adequate description and formal standard procedures that would be measured.
The performance indicator was not clearly defined as it contained an am-	Action taken: Municipality will adjust the targets during the ad-

<p>biguous definition, where the performance was limited to monitoring work as opposed to when the actual work was done by other departments, which can be misleading, and this is contrary to the requirement of the FMPPI. This could be attributed to a lack of understanding of the relevant guidelines in setting performance indicators and targets that are specific, measureable, achievable, relevant and time bound.</p>	<p>justment budget in order to set SMART targets.</p>
<p>KPA 2 – Service delivery and infrastructure development – Community Service</p>	
<p>Various indicators</p>	
<p>The performance indicator and target was not well defined as it did not allow for consistency of data collection, as the indicator and the target are not reading the same, which is contrary to the requirement of the FMPPI. This was due to inadequate technical indicator descriptions and/or formal standard operating procedures or documented systems descriptions that pre-define how the achievement would be measured, monitored and reported, as required by the FMPPI. I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.</p>	<p>Action taken: Municipality will adjust the targets during the adjustment budget in order to set target targets that are well defined and measurable.</p>
<p>Other matters</p>	
<p>Adjustment of material misstatements</p>	
<p>I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA – service delivery and infrastructure development – Technical services and service Delivery and infrastructure development – community service as management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported perfor-</p>	<p>Action taken: Municipality will adjust the targets and correct misstatements.</p>

mance information.	
Report on audit of compliance with legislation	
Budget	
Reasonable steps were not taken to prevent unauthorised expenditure amounting to R48 162 721 (2016: R95 552 999), as disclosed in note 39 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.	Action taken: Implementation of internal controls to prevent unauthorised, irregular and wasteful expenditure will be strengthened
Annual financial statements and annual performance report	
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets, current liability and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.	Action taken: Management will appoint the expects to review the financial statement before submission
The annual performance report for the year under review did not include a comparison of the performance with set targets and comparison with the previous financial year and measures taken to improve performance for each service provider, as required by section 46(1)(b) of the MSA.	Municipality will include a comparison of performance of service providers with previous financial year before submitting.
Expenditure management	
Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.	Action taken: Development and implementation of a Revenue Enhancement Strategy will assist the Municipality to collect revenue and be able to pay creditors within 30 days of valid invoice.
Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by changes made to criteria or differing criteria applied than what was published. Irregular expendi-	Action taken; Implementation of internal controls to prevent unauthorised, irregular and wasteful expenditure will be strengthened

ture amounting to R30 557 049 was incurred on most of the projects awarded during the financial year.	
Effective steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. Fruitless and wasteful expenditure amounting to R24 135 348 was incurred on mainly Bloemwater outstanding invoices not paid.	Action taken; Implementation of internal controls to prevent unauthorised, irregular and wasteful expenditure will be strengthened
Revenue management	
An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.	Action taken; An adequate management, accounting and information system will be implemented by reviewing and implementing internal controls and procedure manual and monitoring consistently.
Asset management	
An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.	Action taken: An adequate management, accounting and information system will be implemented by reviewing and implementing internal controls and procedure manual and monitoring consistently.
Capital assets were permanently disposed of without the approval of the council and as required by section 14(2)(a) of the MFMA.	Action taken: Municipality will submit the report to council for all assets disposed and loses.
Liability management	
An effective system of internal control for liabilities was not in place, as required by section 63(2)(c) of the MFMA.	Action taken: An adequate management, accounting and information system will be implemented by reviewing and implementing internal controls and procedure manual and monitoring consistently.
Procurement and contract management	
Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year.	Action taken: "1. Training of all Bid Committees  2. A standard evaluation criteria as specified by Bid Specification committee must be used by Evaluation and Adjudication Committees.  3. Review of bid committee reports"
Some of the contracts were awarded	Action taken:

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.	<p>"1. Training of all Bid Committees</p> <p>2. A standard evaluation criteria as specified by Bid Specification committee must be used by Evaluation and Adjudication Committees.</p> <p>3. Review of bid committee reports"</p>
Some of the contracts were awarded to bidders based on preference points that were not allocated or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.	<p>Action taken:</p> <p>"1. Training of all Bid Committees</p> <p>2. Ensure that the scores allocated are accurate and consistent with BBEE codes</p> <p>3. Review of bid committee reports"</p>
Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and preferential procurement regulations.	<p>Action taken:</p> <p>"1. Training of all Bid Committees</p> <p>2. Ensure that a motivation for not appointing the bidder who scored the highest points is documented.</p> <p>3. Ensure that the scores allocated are accurate and consistent with BBEE codes</p> <p>"</p>
Some of the contracts were awarded to bidders based on functionality criteria that differed from those stipulated in the original invitation for bidding, in contravention of preferential procurement regulation 4.	<p>Action taken:</p> <p>"1. Training of all Bid Committees</p> <p>2. A standard evaluation criteria as specified by Bid Specification committee must be used by Evaluation and Adjudication Committees.</p> <p>3. Review of bid committee reports"</p>
Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A). Similar non-compliance was also reported in the prior year.	<p>Action taken:</p> <p>Implementation of controls to ensure a thorough verification of supplier grading on CiDB website</p>
Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.	<p>Action taken:</p> <p>Contract extensions and or Variation order must be approved the Accounting Officers</p>
The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.	<p>Action taken:</p> <p>Implementation of controls to monitor the performance of external service providers on a monthly basis and report to Management</p>
The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of sec-	<p>Action taken:</p> <p>Implementation of controls to monitor the performance of external service providers on a monthly basis and report to Management</p>

tion 116(2)(c) of the MFMA.	
HR management	
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.	Action taken: Support and assistance was sourced from the National office of SALGA, a planned workshop had to be postponed due to clashing schedules, Corporate Services s working hand in hand with the PMS Officer in trying to secure a new date for the workshop and training to take place.
Utilisation of conditional grants	
The water service infrastructure grant was not spent in accordance with the applicable grant framework, in contravention of section 17(1) of the Division of Revenue Act.	Action taken: "MIG project implementation plans has been completed and adhered to. Spending on projects will be reported as required by DoRA. "
Consequence management	
Unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(b) of the Municipal Finance Management Act.	Action taken: A section 32 committee has been appointed and will investigate unauthorised, irregular and fruitless and wasteful expenditure and report to Council.
Internal control deficiencies	
The leadership did not sufficiently oversee financial and performance reporting and compliance and related internal controls, as it did not ensure that there were sound controls in the daily operations of the municipality.	Action taken: Leadership issues as raised by AG will be followed up and corrected during 2017/2018.
There has been a slow response from the leadership to implementing and monitoring the audit action plan to address qualification areas and internal control deficiencies identified during the previous audits. As a result, addressing these deficiencies was again a last minute effort to avoid audit report matters.	Action taken: Management will actively work with the AG to improve in responses for the audit.
The leadership did not take effective steps to ensure that there were consequences for poor performance and transgressions, as none of the unauthorised, irregular, and fruitless and	Action taken: A section 32 committee has been appointed and is currently busy with investigation of unauthorised, irregular and fruitless and wasteful expenditure and report to Council.

wasteful expenditure was investigated during the financial year.	
Management did not implement proper record keeping and prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information. This was due to the lack of consequence management, for competent staff that did not perform in line with their responsibilities and level of competencies, at the financial department and in the performance information division.	Action taken: <ul style="list-style-type: none"> <li>"• Investigate root-causes for weak internal control.</li> <li>• Daily and monthly controls matrix is done and monitoring must be done and reported to CFO.</li> <li>"</li> </ul>
The municipality did not prioritise the review and monitoring of compliance with legislation, which resulted in repeat findings being reported.	Action taken: <ul style="list-style-type: none"> <li>• The municipality will prioritise the review and monitoring of compliance with legislation.</li> </ul>
The financial statements were not properly reviewed for completeness and accuracy prior to submission for auditing. Numerous repeat findings were identified, which we communicated to the municipality and were corrected by management during the audit process. These corrections resulted in material amendments to the financial statements.	Action taken: <ul style="list-style-type: none"> <li>• Municipality will appoint the expert to review the annual financial statement in 2017/2018 financial year</li> </ul>
The effectiveness of the audit committee and internal audit was impeded, as could be seen from the issues identified by the audit not being given appropriate audit coverage. These issues therefore could not influence an improvement in the municipality's control environment. Furthermore, steps taken by management to address internal control deficiencies and emerging audit risks identified in the previous audit were not adequately monitored.	Action taken: <ul style="list-style-type: none"> <li>"• Recommendations of internal audit &amp; audit committee will be a standing item in Management meetings.</li> <li>• Ensure prompt implementation of recommendations.</li> <li>• Track implementation on a quarterly basis.</li> <li>"</li> </ul>
Other reports	
Investigations	
The municipality is still awaiting a report from the special investigations unit (SIU) relating to several issues of non-compliance with the municipal policies. As reported previously, at the time of this report, the SIU had not yet	Action taken: Municipality still waiting for SIU to finalise the reports.

---

<p>reported back to the municipality on these issues and according to information obtained from the SIU, the report on proclamation 58/2011 had already been completed and issued to the President.</p>	
---	--

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2017-2018

6.2 AUDITOR GENERAL REPORT YEAR 2017/2018

In 2017/18 financial year, the municipality received a qualified Audit Opinion from the AGSA. The following matters of qualification, emphasis, non-compliance and the annual performance report were highlighted in that report

<b>Auditor-General Report on Financial Performance: Year 2017/18</b>	
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Basis for qualified opinion	
Payables from exchange transactions	
3. Differences were identified between the amounts recognized as payments received in advance in note 15 amounting to R9 226 816 (2017: R5 798 087) and the supporting documentation for payments from consumers. Consequently, payables from exchange transactions are overstated by R8 369 431 (2017: R5 798 087) and receivables from exchange and receivables from non-exchange transactions understated by the same amount in total. It was impractical to determine the amount of the understatement for the different types of receivables.	<b>Action taken:</b> Correcting Journals of 2016/17 and 2017/18 to be processed on the system. Thereafter the full population will again be revisited and then credits who can be played of against debits will be transferred.
4. In addition, differences were identified between third-party statements and the salary control in note 15 amounting to R68 244 682 (2017: R59 130 474), resulting in trade and other payables from exchange transactions being overstated by R7 257 049 (2017: R9 234 873) and employee cost being overstated by the same amount.	<b>Action taken:</b> All third party statement to be requested, filed for audit purposes and reconciled to salary creditors. Visiting offices of the third parties to request statements.
Retention liabilities in note 15 amounting to R1 488 471 were not recorded in all instances and are understated by R4 116 138, while trade payables in note 15 are overstated by the same amount.	<b>Action taken:</b> Disclosing of retention on commitment register. Retention recorded with every certificate paid to ensure completeness.
Government grants and subsidies	
5. The municipality did not recognise government grants when the related expenditure was incurred as required by GRAP 1, Presentation of financial statements. The operating grants amounting to R9 490 771 were only recognised when the payment was made, which is contrary to GRAP 1. Consequently, government grants and subsidies amounting to R113 878 451 are overstated in the current year and understated in the prior year by this amount, with a consequential impact on trade payables in note 15."	<b>Action taken:</b> Support consultants will be appointed to offer support to ensure that grants expenditure are recognised when incurred and not when payment is made.
Revenue from exchange transactions	
6. The municipality did not account for all revenue from service charges in accordance with GRAP 9,	<b>Action taken:</b> A list of all properties in the municipal area

Auditor-General Report on Financial Performance: Year 2017/18	
Revenue from exchange transactions. There were inadequate internal controls in place to ensure that consumers were billed for all relevant services. Consequently service charges amounting to R100 848 179 as disclosed in note 18 are understated by R7 532 248."	had been compiled and will be used to check that each property are levied the correct services and that the correct tariffs are levied.
Receivables from exchange transactions	
7 During 2017, gross receivables from exchange transactions disclosed in note 9 were not assessed for impairment in the prior year as per the requirements of GRAP 104, Financial instruments. The municipality only made a general provision and did not consider whether objective evidence exists that individually significant receivables and/or a group of receivables with similar credit risk characteristics are collectively impaired. As the relevant information pertaining to the estimated future cash flows was not available, I was not able to determine the impact on the net amount for receivables from exchange transactions, as it was impracticable to do so. Furthermore, I was unable to obtain sufficient and appropriate audit evidence for the difference noted between the gross debtors' amounts per the financial statements and the gross debtors' amounts used in the impairment calculation. Additionally, there was a resultant impact on the prior year debt impairment as disclosed in note 30. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R24 219 365 in the statement of financial position.	<b>Action taken:</b> Support consultants will be appointed to offer assist with the calculation of impairment.
Material uncertainty related to going concern	
13. Note 42 to the financial statements, which indicates that the municipality incurred a net loss of R84 681 321 (2017: R73 690 646) during the year ended 30 June 2018 and, as of that date, the municipality's current liabilities exceeded its current assets by R367 735 248 (2017: R285 603 119) and that the municipality experienced cash flow problems during the year which resulted in major creditors not being paid timeously.	<b>Action taken:</b> Management will make a going concern assessment and make a full disclosure in the financial statements.
As disclosed in note 47 to the financial statements, the municipality has been deducting taxes, pension fund and medical aid contributions from employees' salaries, but has not been unable to pay over R57 933 841 (2017: R40 297 973) to the relevant third parties.	<b>Action taken:</b> Management will make a going concern assessment and make a full disclosure in the financial statements.
These conditions, along with other matters as set	<b>Action taken:</b>

<b>Auditor-General Report on Financial Performance: Year 2017/18</b>	
forth in note 42 indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.	Management will make a going concern assessment and make a full disclosure in the financial statements.
Emphasis of matters	
Unauthorised expenditure	
15. As disclosed in note 44 to the financial statements, the municipality incurred unauthorised expenditure of R39 354 259 (2017: R67 387 246) during the year due to the actual expenditure incurred exceeding the budgeted amounts"	<p><b>Action taken:</b> The internal controls and procedures to be reviewed to ensure that expenditure is approved in terms of the approved budget and the necessary management's approval.</p> <p>A section 32 committee has been appointed and will investigate unauthorised, irregular and fruitless and wasteful expenditure and report to Council.</p>
Irregular expenditure	
16. As disclosed in note 46 to the financial statements, the municipality incurred irregular expenditure of R22 819 770 (2017: R32 619 153) during the year due to conditional grants being used for other purpose and non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure during the year was still in the process of being determined	<p><b>Action taken:</b> Internal controls and procedures to be implemented to ensure that expenditure is approved in line with the approved budget.</p> <p>Ring-fencing of conditional grants monies by keeping funds on a separate bank account.</p>
Fruitless and wasteful expenditure	
17. As disclosed in note 45 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R28 286 201 (2017: R24 185 848) during the year mainly due to interest and penalty charges on the late payment of suppliers"	<p><b>Action taken:</b> Internal control and procedures to be reviewed to ensure that payemnt to creditors are made on time to avoid interest being charged and also to submit a payment plan to Bloemwater to arrange interest not being charged.</p>
Restatement of corresponding figures	
18. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors discovered during 2017-18 in the financial statements of the municipality at, and for the year ended, 30 June 2018.	<p><b>Action taken:</b> All uncorrected misstatements will be corrected with 2018/19 financial statements.</p>
Material losses	
19. As disclosed in note 47 to the financial statements, material electricity losses of R7 882 478 (2017: R8 278 827) which represents 17% (2017: 4%) of total electricity purchased, were incurred by the municipality, mainly due to aging electricity infrastructure."	<p><b>Action taken:</b> "National treasury have allocated R 25 million for improvement of infrastructure which will assist in the two towns. A reservoir in Trompsburg and Tank and pipeline in Reddersburg which will improved infrastructure. There is also R9 million from MIG for water meters. This will make a little improvement in losses.</p>

Auditor-General Report on Financial Performance: Year 2017/18	
	Upgrading of a Bulk pipe line in Bethulie and Philipollis "
20. As disclosed in note 47 to the financial statements, water distribution losses of R13 843 212 (2017: R13 512 953) which represents 50% (2017: 46%) of total water purchased, were incurred by the municipality, mainly due to aging water infrastructure.	<p><b>Action taken:</b> "National treasury have allocated R 25 million for improvement of infrastructure which will assist in the two towns. A reservoir in Trompsburg and Tank and pipeline in Reddersburg which will improved infrastructure. There is also R9 million from MIG for water meters. This will make a little improvement in losses.</p> <p>Upgrading of a Bulk pipe line in Bethulie and Philipollis "</p>
21. As disclosed in note 9 to the financial statements, material losses of R6 668 676 (2017: R25 564 220) were incurred as a result of a write-off of irrecoverable receivables from exchange transactions.	<p><b>Action taken:</b> This was the write off of indigents account only. Which happens on yearly basis at year end.</p>
Material impairments	
22. As disclosed in notes 9 and 10 to the financial statements, receivables from exchange and non-exchange transactions were impaired by R184 086 118 (2017: R141 858 415) and R25 432 190 (2017: R20 415 343) respectively.	<p><b>Action taken:</b> All debtors will be investigated and debtors who can't be traced or pay will be taken to Council to be written off</p>
Underspending of conditional grants	
23. As disclosed in note 23 to the financial statements, the municipality materially underspent the municipal infrastructure grant and the water services infrastructure grant by a combined R23 357 982 (2017: R13 686 620).	<p><b>Action taken:</b> Municipality has applied for rollover as the contract was terminated and upon approval by National Treasury, this spending will be implemented.</p>
Report on the audit of the annual performance report	
KPA 1 – Service delivery and infrastructure development – Technical services	
Various indicators	
35. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. This was due to the performance indicators and targets not being well defined as it did not allow for consistency of data collection, and the performance measures not being verifiable, contrary to the Framework for managing programme performance information (FMPPi). I was unable to confirm that the reported achievement of these indicators was reliable by alternative means. Consequently, I was unable to determine whether any adjustments	<p><b>Action taken:</b> Municipality will adjust key performance indicators and set targets that are well defined with the adjustment budget</p>

Auditor-General Report on Financial Performance: Year 2017/18	
were required to the reported achievement.	
36. There was no clear and logical link between the indicator and the target to which it relates in the following instances. Furthermore, the indicators were not well defined, as the target was not specific and measurable.	<b>Action taken:</b> Municipality will set the targets that are well defined, specific and measurable with the adjustment budget
37. The measures taken to improve performance against the following targets were not included in the annual performance report:	<b>Action taken:</b> Municipality will ensure where targets are not achieved corrective measures are provided
38. The reported measures taken to improve performance against the planned target, did not agree to the supporting evidence provided for the following indicators:	<b>Action taken:</b> Municipality will set the targets that are well defined.
<b>KPA 2 – Service delivery and infrastructure development – Community Service</b>	
Various indicators	
39. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. This was due to the performance indicators and targets not being well defined as it did not allow for consistency of data collection and the performance measures not being verifiable, contrary to the FMPPI. I was unable to confirm that the reported achievement of these indicators was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.	<b>Action taken:</b> Municipality will set the targets that are well defined, specific and measurable with the adjustment budget
Annual financial statements	
45. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion..	<b>Action taken:</b> Management will ensure that appointment of the expects to prepare the AFS is done timeously.
46. The annual financial statements were not submitted to the auditor-general, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.	<b>Action taken:</b> Management will ensure that appointment of the expects to prepare the AFS is done timeously.
47. The annual financial statements were not submitted to the auditor-general within two months after the end of the financial year and written explanation setting out the reasons for the failure were not tabled in council as required by section 133(1)(a) of the MFMA.	<b>Action taken:</b> Management will ensure that appointment of the expects to prepare the AFS is done timeously.

<b>Auditor-General Report on Financial Performance: Year 2017/18</b>	
<b>Expenditure management</b>	
48. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.	<b>Action taken:</b> Implementation of a Revenue Enhancement Strategy will assist the Municipality to collect revenue and be able to pay creditors within 30 days of valid invoice.
49. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R39 354 259, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the impairments of debtors.	<b>Action taken;</b> Implementation of internal controls to prevent unauthorised, irregular and wasteful expenditure will be strengthened
50. Reasonable steps were not taken to prevent irregular expenditure amounting to R22 819 770 as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with the SCM laws and regulations. Irregular expenditure amounting to R3 809 406 was incurred on key projects.	<b>Action taken;</b> Implementation of internal controls to prevent unauthorised, irregular and wasteful expenditure will be strengthened
51. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R28 286 201, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by interest on late accounts.	<b>Action taken:</b> Implementation of internal controls to prevent unauthorised, irregular and wasteful expenditure will be strengthened
52. An adequate management, accounting and information system was not in place which recognized expenditure when it was incurred and accounted for creditors and payments made, as required by section 65(2)(b) of the MFMA.	<b>Action taken:</b> An adequate management, accounting and information system will be implemented by reviewing and implementing internal controls and procedure manual and monitoring consistently.
<b>Revenue management</b>	
53. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.	<b>Action taken;</b> An adequate management, accounting and information system will be implemented by reviewing and implementing internal controls and procedure manual and monitoring consistently.
<b>Conditional grants</b>	
54. The municipal infrastructure grant and water services infrastructure grant were not spent for their intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.	<b>Action taken:</b> "Ring-fencing of conditional grants monies by keeping them on a separate bank account."
<b>Human Resource Management</b>	
56. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were	<b>Action taken:</b> The municipality has appointed a suitable

<b>Auditor-General Report on Financial Performance: Year 2017/18</b>	
not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA).	service providers to develop our HR Strategy wherein the issue of PMS (EPAS) will also be addressed through the development of Operational plans as well as other relevant matters related to PMS
57. I was unable to obtain sufficient appropriate audit evidence that the municipal manager and senior managers previously dismissed for financial misconduct were re-appointed only after the expiry of the 10-year term, as required by section 57A(3) of the MSA.	<b>Action taken:</b> No Municipal Manager or Senior official were ever dismissed for financial misconduct at Kopanong Local Municipality
<b>Strategic planning and performance management</b>	
58. The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review, reporting and improvement processes should be managed as required by municipal planning and performance management regulation 7(1).	<b>Action taken:</b> Audit committee will be appointed before end of February 2019 to review mid year performance of Section 54A and 57 managers.
<b>Consequence management</b>	
59. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.	<b>Action taken:</b> A section 32 committee has been appointed and is currently busy with investigation of unauthorised, irregular and fruitless and wasteful expenditure and report to Council.
60. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA	<b>Action taken:</b> A section 32 committee has been appointed and is currently busy with investigation of unauthorised, irregular and fruitless and wasteful expenditure and report to Council.
61. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.	<b>Action taken:</b> A section 32 committee has been appointed and is currently busy with investigation of unauthorised, irregular and fruitless and wasteful expenditure and report to Council.
<b>MFMA. Procurement and contract management</b>	
62. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).	<b>Action taken:</b> Management will ensure that there are stricter controls to ensure that the Pre-evaluation process and the Evaluation committee are strict and prohibits such transactions
63. Some quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).	<b>Action taken:</b> Management will ensure that there are stricter controls to ensure that motivational letter/deviation letter is completed and Names of Suppliers, Contact Persons and Contact Details must be provided of the service provider
64. Some quotations were accepted from bidders whose tax matters had not been declared by the	<b>Action taken:</b> Management will ensure that the Bid commit-

<b>Auditor-General Report on Financial Performance: Year 2017/18</b>	
South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.	tees constantly communicates with SARS to double check the Tax matters of each service provider before considering an award
65. Some contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of preferential procurement regulation 4(1) and 4(2) of 2017. Similar non-compliance was also reported in the prior year.	<b>Action taken:</b> The evaluation committee makes sure that it takes into consideration the original bid invitation
66. Bid documentation for the procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by preferential procurement regulation 8(2) of 2017.	<b>Action taken:</b> Local content and production are always stipulated in all bid documents for the minimum threshold
<b>Internal control deficiencies</b>	
72. There was a slow response from the leadership to implementing and monitoring the audit action plan to address qualification areas and internal control deficiencies identified during the previous audits. As a result, addressing these deficiencies was again a last minute effort to avoid audit report matters. Management was also slow to implement municipal policies and procedures.	<b>Action taken:</b> Management will actively work with the AG to improve in responses for the audit.
73. Management did not in all instances monitor the completeness of source documentation in support of actual achievements reported in the annual performance report. Findings from the prior year on the usefulness of indicators were also not addressed to prevent similar issues in the year under review. This was due to a lack of sufficient skills and experience within the performance management unit resulting in ineffective monitoring and review	<b>Action taken:</b> Municipality will ensure that prior year issues are addressed during the review of SDBIP and Budget Adjustment
74. Management did not adequately respond to the recommendations of the external auditors to implement processes to monitor and report on compliance with laws and regulations. This was further hindered by the instability in managers positions during the year. This resulted in a situation where non-compliance continued to occur and re-occurred during the year under review.	<b>Action taken:</b> Management will ensure that the action plan steering committee is functional to ensure that the recommendations of the external auditors are implemented.
75. The leadership did not take effective steps to ensure that there were consequences for poor performance and transgressions, as not all of the unauthorised, irregular, and fruitless and wasteful expenditure was investigated during the financial year.	<b>Action taken:</b> A section 32 committee has been appointed and is currently busy with investigation of unauthorised, irregular and fruitless and wasteful expenditure and report to Council. "

---

---

**Report of the auditor-general to Free State Legislature and the council on the  
Kopanong Local Municipality**

Report on the audit of the financial statements

Qualified opinion

**Report of the auditor-general to Free State Legislature and the council on the  
Kopanong Local Municipality**

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Kopanong Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Kopanong Local Municipality as at 30 June 2018, and its 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**

### **Payables from exchange transactions**

3. Differences were identified between the amounts recognised as payments received in advance in note 15 amounting to R9 226 816 (2017: R5 798 087) and the supporting documentation for payments from consumers. Consequently, payables from exchange transactions are overstated by R8 369 431 (2017: R5 798 087) and receivables from exchange and receivables from non-exchange transactions understated by the same amount in total. It was impractical to determine the amount of the understatement for the different types of receivables. In addition, differences were identified between third-party statements and the salary control in note 15 amounting to R68 244 682 (2017: R59 130 474), resulting in trade and other payables from exchange transactions being overstated by R7 257 049 (2017: R9 234 873) and employee cost being overstated by the same amount. Furthermore, retention liabilities in note 15 amounting to R1 488 471 were not recorded in all instances and are understated by R4 116 138, while trade payables in note 15 are overstated by the same amount.
4. During 2017, I was unable to obtain sufficient appropriate audit evidence for the retention liability as disclosed in note 15, as internal controls had not been established for the recognition of retention. Consequently, I was unable to determine whether any further adjustments were necessary to trade and other payables from exchange transactions stated at R313 883 562 in the financial statements.

### **Government grants and subsidies**

5. The municipality did not recognise government grants when the related expenditure was incurred as required by GRAP 1, *Presentation of financial statements*. The operating grants amounting to R9 490 771 were only recognised when the payment was made, which is contrary to GRAP 1. Consequently, government grants and subsidies amounting to R113 878 451 are overstated in the current year and understated in the prior year by this amount, with a consequential impact on trade payables in note 15.

### **Revenue from exchange transaction**

6. The municipality did not account for all revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. There were inadequate internal controls in place to ensure that consumers were billed for all relevant services. Consequently service charges amounting to R100 848 179 as disclosed in note 18 are understated by R7 532 248.

---

### **Receivables from exchange transactions**

7. During 2017, gross receivables from exchange transactions disclosed in note 9 were not assessed for impairment in the prior year as per the requirements of GRAP 104, *Financial instruments*. The municipality only made a general provision and did not consider whether objective evidence exists that individually significant receivables and/or a group of receivables with similar credit risk characteristics are collectively impaired. As the relevant information pertaining to the estimated future cash flows was not available, I was not able to determine the impact on the net amount for receivables from exchange transactions, as it was impracticable to do so. Furthermore, I was unable to obtain sufficient and appropriate audit evidence for the difference noted between the gross debtors' amounts per the financial statements and the gross debtors' amounts used in the impairment calculation. Additionally, there was a resultant impact on the prior year debt impairment as disclosed in note 30. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R24 219 365 in the statement of financial position.

### **Receivables from non-exchange transactions**

8. During 2017, gross receivables from non-exchange transactions as per note 10 were not assessed for impairment as per the requirements of GRAP 104, *Financial instruments*. The municipality only made a general provision and did not consider whether objective evidence exists that individually significant receivables and/or a group of receivables with similar credit risk characteristics are collectively impaired. As the relevant information pertaining to the estimated future cash flows was not available, I was not able to determine the impact on the net amount for receivables from non-exchange transactions, as it was impracticable to do so.

### **Context for the opinion**

9. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
10. 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.
11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

---

## **Material uncertainty relating to going concern**

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.
13. Note 42 to the financial statements, which indicates that the municipality incurred a net loss of R84 681 321 (2017: R73 690 646) during the year ended 30 June 2018 and, as of that date, the municipality's current liabilities exceeded its current assets by R367 735 248 (2017: R285 603 119) and that the municipality experienced cash flow problems during the year which resulted in major creditors not being paid timeously. As disclosed in note 47 to the financial statements, the municipality has been deducting taxes, pension fund and medical aid contributions from employees' salaries, but has not been unable to pay over R57 933 841 (2017: R40 297 973) to the relevant third parties. These conditions, along with other matters as set forth in note 42 indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.

## **Emphasis of matters**

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

## **Unauthorised expenditure**

15. As disclosed in note 44 to the financial statements, the municipality incurred unauthorised expenditure of R39 354 259 (2017: R67 387 246) during the year due to the actual expenditure incurred exceeding the budgeted amounts.

## **Irregular expenditure**

16. As disclosed in note 46 to the financial statements, the municipality incurred irregular expenditure of R22 819 770 (2017: R32 619 153) during the year due to conditional grants being used for other purpose and non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure during the year was still in the process of being determined.

## **Fruitless and wasteful expenditure**

17. As disclosed in note 45 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R28 286 201 (2017: R24 185 848) during the year mainly due to interest and penalty charges on the late payment of suppliers.

---

### **Restatement of corresponding figures**

18. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors discovered during 2017-18 in the financial statements of the municipality at, and for the year ended, 30 June 2018.

### **Material losses**

19. As disclosed in note 47 to the financial statements, material electricity losses of R7 882 478 (2017: R8 278 827) which represents 17% (2017: 4%) of total electricity purchased, were incurred by the municipality, mainly due to aging electricity infrastructure.

20. As disclosed in note 47 to the financial statements, water distribution losses of R13 843 212 (2017: R13 512 953) which represents 50% (2017: 46%) of total water purchased, were incurred by the municipality, mainly due to aging water infrastructure.

21. As disclosed in note 9 to the financial statements, material losses of R6 668 676 (2017: R25 564 220) were incurred as a result of a write-off of irrecoverable receivables from exchange transactions.

### **Material impairment**

22. As disclosed in notes 9 and 10 to the financial statements, receivables from exchange and non-exchange transactions were impaired by R184 086 118 (2017: R141 858 415) and R25 432 190 (2017: R20 415 343) respectively.

### **Underspending of conditional grants**

23. As disclosed in note 23 to the financial statements, the municipality materially underspent the municipal infrastructure grant and the water services infrastructure grant by a combined R23 357 982 (2017: R13 686 620).

### **Other matters**

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

### **Unaudited disclosure notes**

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

---

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

26. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
27. In preparing the financial statements, the accounting officer is responsible for assessing the Kopanong Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report
--

## **Introduction and scope**

30. 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 areas (KPA's) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
31. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

32. 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 KPAs presented in the annual performance report of the municipality for the year ended 30 June 2018:

KPA	Pages in the annual performance report
Service delivery and infrastructure development – technical services	103 – 109
Service delivery and infrastructure development – community services	99 – 102

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

34. The material findings in respect of the usefulness and reliability of the selected KPAs are as follows:

**Service delivery and infrastructure development – technical services**

Various indicators

35. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. This was due to the performance indicators and targets not being well defined as it did not allow for consistency of data collection, and the performance measures not being verifiable, contrary to the Framework for managing programme performance information (FMPPI). I was unable to confirm that the reported achievement of these indicators was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Indicator	Reported achievement
Supply and Installation of Water Meters, Valves & Fire Hydrant 1. Philippolis 2. Fauresmith 3. Reddersburg	0
Upgrading of bulk water steel pipe in Bethulie	0
Upgrading of bulk Pipeline in Philippolis	0
Upgrading of Waste water Treatment Works in Philippolis	1
Fixing of leakages to households in Kopanong	0
Construction of 1km paved access road in Fauresmith by 30 June 2018	1
Construction of 600m Paved access road in Bethulie by 30 June 2018	1

36. There was no clear and logical link between the indicator and the target to which it relates in the following instances. Furthermore, the indicators were not well defined, as the target was not specific and measurable.

Indicator	Reported achievement
115 Households electricity connection in Bethanie by 30 June 2018	1
1Mini substation in Bethulie by 30 June 2018	1

37. The measures taken to improve performance against the following targets were not included in the annual performance report:

Indicator	Reported achievement
Upgrading of bulk Pipeline in Philippolis	0
Fixing of leakages to households in Kopanong	0

38. The reported measures taken to improve performance against the planned target, did not agree to the supporting evidence provided for the following indicators:

Indicator	Reported achievement
Monitoring of Construction of a Concrete 3 Mgl Reservoir and distribution of 3km water Pipeline in Trompsburg	3
Construction of 1.2 km pipeline and refurbishment of pump station in Reddersburg	0

**Service delivery and infrastructure development – community service**

Various indicators

39. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. This was due to the performance indicators and targets not being well defined as it did not allow for consistency of data collection and the performance measures not being verifiable, contrary to the FMPPI. I was unable to confirm that the reported achievement of these indicators was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Indicator	Reported achievement
Identification of Backlogs for Households Connection	1
Monitoring and maintenance of internal reticulation network (water)	2
Removal of household refuse fortnightly	1
Patching of potholes in all 9 Towns Bi-annually	0

**Other matters**

40. I draw attention to the matters below.

**Achievement of planned targets**

41. Refer to the annual performance report on pages 99 to 109 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 35 to 39 of this report.

**Adjustment of material misstatements**

---

42. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of service delivery and infrastructure development – technical services. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

43. 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.

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

### Annual financial statements

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

46. The annual financial statements were not submitted to the auditor-general, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

47. The annual financial statements were not submitted to the auditor-general within two months after the end of the financial year and written explanation setting out the reasons for the failure were not tabled in council as required by section 133(1)(a) of the MFMA.

### Expenditure management

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

49. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R39 354 259, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the impairments of debtors.

- 
50. Reasonable steps were not taken to prevent irregular expenditure amounting to R22 819 770 as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with the SCM laws and regulations. Irregular expenditure amounting to R3 809 406 was incurred on key projects.
51. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R28 286 201, as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by interest on late accounts.
52. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred and accounted for creditors and payments made, as required by section 65(2)(b) of the MFMA.

### **Revenue management**

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

### **Conditional grants**

54. The municipal infrastructure grant and water services infrastructure grant were not spent for their intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.
55. Performance in respect of programmes funded by the municipal infrastructure grant and water services infrastructure grant was not evaluated, as required by section 12(5) of Dora.

### **Human Resource Management**

56. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA).
57. I was unable to obtain sufficient appropriate audit evidence that the municipal manager and senior managers previously dismissed for financial misconduct were re-appointed only after the expiry of the 10-year term, as required by section 57A(3) of the MSA.

### **Strategic planning and performance management**

58. The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review, reporting and improvement processes should be managed as required by municipal planning and performance management regulation 7(1).

### **Consequence management**

- 
59. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
  60. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA
  61. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

#### **Procurement and contract management**

62. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).
63. Some quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).
64. Some quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
65. Some contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of preferential procurement regulation 4(1) and 4(2) of 2017. Similar non-compliance was also reported in the prior year.
66. Bid documentation for the procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by preferential procurement regulation 8(2) of 2017.

---

---

#### Other information

67. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected KPAs presented in the annual performance report that have been specifically reported in this auditor's report.
68. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
69. 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 KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
70. I did not receive the other information prior to the date of this auditor's report. When I do receive and read 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 retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

71. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
72. There was a slow response from the leadership to implementing and monitoring the audit action plan to address qualification areas and internal control deficiencies identified during the previous audits. As a result, addressing these deficiencies was again a last minute effort to avoid audit report matters. Management was also slow to implement municipal policies and procedures.
73. Management did not in all instances monitor the completeness of source documentation in support of actual achievements reported in the annual performance report. Findings from the prior year on the usefulness of indicators were also not addressed to prevent

---

similar issues in the year under review. This was due to a lack of sufficient skills and experience within the performance management unit resulting in ineffective monitoring and review.

74. Management did not adequately respond to the recommendations of the external auditors to implement processes to monitor and report on compliance with laws and regulations. This was further hindered by the instability in managers positions during the year. This resulted in a situation where non-compliance continued to occur and re-occurred during the year under review.
75. The leadership did not take effective steps to ensure that there were consequences for poor performance and transgressions, as not all of the unauthorised, irregular, and fruitless and wasteful expenditure was investigated during the financial year.
76. The governance structures of the municipality were not sufficiently capacitated and as a result did not deliver on their mandates. Consequently, the governance structures did not take into account all the risks that affected the municipal environment and did not monitor the implementation of the recommendations of the risk management division.

---

---

Other reports
---------------

77. 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.
78. The municipality is still awaiting a report from the Special Investigating Unit (SIU) relating to several issues of non-compliance with the municipal policies. As reported previously, the SIU had still not reported back to the municipality on these issues at the time of this report.

Bloemfontein

31 January 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

---

## Annexure – Auditor-general’s responsibility for the audit

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

### Financial statements

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

---

#### Communication with those charged with governance

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

#### **Auditor-general's responsibility for the audit**

5. 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 KPAs and on the municipality's compliance with respect to the selected subject matters.

#### Financial statements

6. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Kopanong Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclo-

---

asures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

7. 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.
8. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

T 6.2.3

---

---

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 2017-2018

Delete Directive note once comment is completed - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

# GLOSSARY

## GLOSSARY

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

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

Vote:

One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

Section 1 of the MFMA defines a “vote” as:

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

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION

Councilors, Committees Allocated and Council Attendance						
	Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
					%	%
1	Councilor X.T Matwa	FT	Finance and LED Committee	ANC / Ward 3	100%	N/A
2	Councilor J.Moitse	PT	Finance And LED Committee	ANC/ Ward 6	100%	N/A
3	Councillor S.Sola	PT	Finance and LED Committee	ANC/ Ward 7	100%	N/A
4	Councilor H.Shebe	PT	Institutional Transformation Committee	DA/ Ward 5	100%	N/A
5	Councilor K.Moeketsi	PT	Institutional Transformation Committee	ANC/ Ward 1	100%	N/A
6	Councilor N.Jan	PT	Institutional Transformation Committee	ANC/Ward 4	100%	N/A
7	Councilor L.Makoa	PT	Institutional Transformation Committee	ANC/ Ward 4	100%	N/A
8	Councilor T.May	PT	Rural Development Committee	ANC /Ward 8	100%	N/A
9	Councillor T.Phafudi	PT	Rural Development Committee	ANC/ Ward 2	100%	N/A
10	Councilor P.Basholo	PT	Rural Development Committee	ANC /Ward 7	100%	N/A
11	Councilor N.Mjika	PT	Rural Development Committee	ANC /Ward 3	100%	N/A
12	Councilor S.Sola	PT	Section 32 Committee	ANC /Ward 5	100%	N/A
13	Councilor J.Moitse	PT	Section 32 Committee	ANC/Ward 6	100%	N/A

### APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

# APPENDICES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance and LED ( Section 80)	Deals with Budget and Local Economic Development Issues
Institutional Transformation committee (Section 80)	Deals with Human Resources and Institutional Development
Rural Development committee (Section 80)	Deals with Arts, Sports, Recreational and Social Development Issues
<i>T B</i>	

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third tier structure	
Directorate	Director/Manager
Municipal Manager’s department	Municipal Manager: Mr Mazondi Martiens Kube-ka
Corporate services	Director: Ms. Cecilia Kedisaletse Pitso
Technical services	Vacant
Finance department	Chief Financial Officer: Ms. Paulina Matumelo Koatla
Community Services	Vacant

# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	No
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm Water management systems in built-up areas	No
Trading regulations	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Y
Control of public nuisances	No
Control of undertakings that sell liquor to the public	No we use District services
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes

# APPENDICES

Municipal roads	Yes
Noise pollution	No
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	No
Street lighting	Yes
Traffic and parking	No

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2017/2018

Date of Committee	Committee recommendations during 2017/18	Recommendations adopted (enter yes) if not adopted provide explanation)
16 October 2017	The committee resolved that the municipality seek advice on how to acquire support for an intern to be allocated to the municipality in assistance to enhance human capital within the internal audit unit from the Province or other stakeholders such as the LG SETA.	
16 October 2017	The Chairperson resolved that the internal audit unit structure matter will be raised to Council	The matter will be discussed during the next Ordinary Council Meeting.
16 October 2017	The committee requested that the committee members be provided with a declaration of form to sign.	Yes
16 October 2017	The Committee resolved that the municipality submit a comprehensive report on the status core of the Bloem Water and Centlec matters	Yes
16 May 2018	The Committee requested the turnaround strategy be presented during the next meeting	
16 May 2018	The Committee resolved that the Audit Committee Charter and the Risk Committee Charter will be amended to compensate the Committee members with the AA tariff rates	
16 May 2018	The Committee resolved the following:	Yes

# APPENDICES

---

Date of Committee	Committee recommendations during 2017/18	Recommendations adopted (enter yes) if not adopted provide explanation)
	<ul style="list-style-type: none"><li>- Indicators for each directorate for the quarter under review to be included, so that the materiality of the indicators can be reflected.</li></ul> <p>The quarterly targets against the annual targets to be reflected on the report</p>	
16 May 2018	The Committee resolved that during the next meeting the Audit Action Plan should have been updated and submitted to the Committee for review	Yes

# APPENDICES

## APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
Technical	Soaring Summit developers	4 months	R 5 927 293.13	Construction of 4.726 MI/D capacity water treatment works phase 2 (mechanical and electrical work)	Service Delivery	1 Project is at 90% completion.	The Municipality is to appoint Tecroveer through a cession. Tecroveer is a capacitated service provider in relation to the concerned project.	2
Technical	Skhokho Civils	6 months	R9 097 292.25	Construction of 1.5MI capacity reinforced concrete Reservoir in Faur-smith	Service Delivery	2 The project is at Practical Completion.	None.	2
Technical	PSR	4 months	R 6 701 537,00	Reddersburg Land-fill site	Service Delivery	1 The project is at 89% of completion	The Contractor has been terminated and the project is to be completed internally.	1
Technical	TE SKOSA-	8	R8 803 187.00	Reddersburg Up-grading of Sport	Service	1	The Contractor has been	1

# Contents

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
nical	NA	months		centre	Delivery	The project is at 88% of completion, and the contractor is yet to complete the soccer pitch and the running track.	terminated and the project is to be completed Internally.	
Technical	Matsapa	12 months	R 6 498 000.00	Installation of 18 high mast light in all Kopanong Units	Service Delivery	3 The project is at 95% with all the high mast lights installed.	The fee for powering the high mast lights powered under Eskom has been paid. Eskom should finalise the four (4) high mast lights.	4
Technical	Snowball	6 months	R3 969 556.00	Fauresmith: Rehabilitation of Landfill sites	Service Delivery	4 The project is complete.	None.	4
Technical	MAT Engineering and	9 Months	R 1 965 3	Augment water supply and in-	Service Delivery	2 The consultant has completed	The consultant could not accommodate the site chal-	2

# Contents

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
	Project Managers		60.00	crease water pressure: Feasibility study, Design and Super vision of construction works. (Reddersburg)		the designs, but the site supervision work is at halt due to non-availability of contractors on site.	lenges and as a result the professional fees are risking to be way too much. The municipality should undertake site supervision in house.	
Technical	Rantoa Service Providers cc	6 Months	R 6 068 394.42	Augment water supply and increase water pressure: Elevated water reservoir/tank. (Reddersburg)	Service Delivery	2 The project is at 40% of completion	The contractor has been stopped through a court interdict. The municipality should re-evaluate the project.	4
Technical	Johnny Bravo Trading (PTY) LTD	6 Monhs	R 7 465 663.92	Augment water supply and increase water pressure: Pipeline, pump station, and water treatment plant works.	Service Delivery	1 The project is at 85% of completion	The contract could not complete the works as per agreements of April 2018. The municipality should terminate the contractor. For neglecting contract obligations.	4

# Contents

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
				(Reddersburg)				
Technical	Nala	-	R 1 447 826.02	Springfontein: Recreational /Sport facility	Service Delivery	3 The consultant has completed the designs.	None	4
Technical	Nomano Urban JV	6 Months	R 7 752 173.92	Springfontein: Recreational /Sport facility	Service Delivery	2 The project is at 38% of completion	The project has been experiencing progress suspension due to labourer non-payment. The contractor did not apply for project period extension; meaning the contract obligations were neglected and as a result; the municipality should consider termination.	No service rendered
Technical	YB Mashalaba	-	R 684 000.00	Springfontein: Closure of existing solid waste disposal site and construction of a waste transfer facility	Service Delivery	2 The consultant is working on applications of the old dumping site closure.	The municipality should pay the outstanding invoices.	4

# Contents

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
Technical	Mogolola Mokoka	7 Months	R 2 014 697.72	Construction of 1.5 km Paved Access Road	Service Delivery	3 The Project is complete.	None	4
Technical	Nomano Trading	7 Months	R 12 664 309.02	Construction of 1.5 km Paved Access Road	Service Delivery	3 The project is complete.	None	4
Technical	Engineering Aces	-	R 1 407 962.88	Trompsburg: Rehabilitation of landfill site.	Service Delivery	3 The project is at EIA stage.	None	4
Technical	Nare Sereto and Allgreen JV	-	R 737 077.52	Gariiep Dam: Rehabilitation of landfill site.	Service Delivery	3 The project is at EIA stage.	None.	4
Technical	Engineering Aces	-	R 391 115.60	Philippolis: Upgrading of Bulk Distribution Water Pipeline.	Service Delivery	3 The consultant has completed the design and construction work is being supervised.	None.	No service rendered
Technical	ZS Msebenzi Civils.	6 Months	R 3 356 895.30	Philippolis: Upgrading of Bulk Distribution	Service Delivery	3 The project is at 95% of	None.	No service rendered

# Contents

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
				tion Water Pipe-line.		completion		dered
Technical	Seraky	-	R 832 700.00	Bethulie: Upgrading of Bulk Water Steel Pipe-Line.	Service Delivery	1 The consultant has completed the designs. However, the consultant has neglected the contract obligations by not supervising construction works.	The municipality should terminate the consultant and appoint a capable consultant to supervise the construction work.	No service rendered
Technical	Re Ama JV	6 Months	R 5 118 935.71	Bethulie: Upgrading of Bulk Water Steel Pipe-Line.	Service Delivery	2 The project is at 30% of completion	The contractor suspended progress due to non-payment of first certificate on site. The contractor is neglecting contract obligations by not applying for project period extension and the municipality should communicate	No service rendered

# Contents

Directorate	Service Provider	Term of contract	Contract value	Description of service / key Performance areas	Targets	Performance rating 17/18 Performance comment	Corrective measure	Performance rating 16/17
							such negligence to the contractor in order to rectify the matter.	
Technical	SADC PROJECT CONSULTING	-	R 1 970 419.20	Philippolis: Upgrading of Waste Water Treatment Works	Service Delivery	3 The project is at design stage.	The municipality should encourage the consultant to apply for a Water Use Registration (WULA).	No service rendered

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Financial disclosures made for the period 1 July 2017 to 30 June 2018		
Position	Name	Description of financial interests* (Nil / or details)
Mayor	Cllr X T Matwa	Welkom Yizani Investments Ltd – 20 ordinary shares. 15% stake in Media24
Other members of Exco		
Speaker	Cllr K E Dlomo	Bokamoso catering, construction and cleaning cc
Councillor	Cllr J Moeketsi	Redemeer Ltd
	Cllr E M Mjika	No interest to disclose
	Cllr H Shebe	On the DOT
	Cllr P Basholo	Light blitz projects and services
	Cllr B Smit	Residence in Dama Bay, Old mu- tual and Sanlam
	Cllr Van Wyk	No interest to disclose
	Cllr N M Jan	Registered with Forever Living Company. Employed by Depart- ment of Health
	Cllr LM May	Redilelenko Brick making coopera- tive Limited
	Cllr J M Moitse	No interests to disclose
	Cllr T A Phafudi	No interests to disclose
	Cllr M J Phoba	No interests to disclose
	Cllr L M Makoa	SAB, Boiketlo Tarven
	Cllr S A Sola	Shareholder-Sanlam computer shares
Municipal Manager	Mr MM Kubeka	No interests to disclose
Chief Financial Officer	Ms PM Koatla	No interest to disclose
Other S56 Officials	Ms. CK Pitso	IEC- Municipal Electoral officer

# APPENDICES

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG:

Grant Performance R' 000					
Description	Year 2017/2018			Year 0 Variance	
	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>					
National Government:					
Equitable share	97,363	97,363	99,974	8%	8%
Municipal Systems Improvement	67,330	67,330	67,330	0%	0%
Department of Water Affairs	30,033	30,033	21,769	38%	38%
Levy replacement	20,000	20,000	10,875	-46%	-46%
Other transfers/grants [insert description]					
Provincial Government:					
Health subsidy	2,000	2,000	2000	0%	0%
Housing					
Ambulance subsidy					
Sports and Recreation	2,000	2,000	2000	0%	0%
Other transfers/grants [insert description]					
<b>Total Operating Transfers and Grants</b>	<b>99,363</b>	<b>99,363</b>	<b>101974</b>	<b>3%</b>	<b>3%</b>
<i>Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>					

T 5.2.1

# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2017/2018

## APPENDIX O–CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2017/2018

Capital Programme by Project by Ward: Year 2017/2018 R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Fauresmith 2.3mgl concrete reservoir	7	95%
Jagersfontein treatment works-Civil	6	100%
Jagersfontein treatment works-Mechanical	6	85%
Fauresmith Bulk Pipeline	7	90%
Phillipolis: Upgrading the existing pump station through the enlarging of the building to house two new pumps together with the construction a new rising main	4	100%
Trompsburg: Construction of 3MGL concrete reservoir and pipeline	2	75%
Springfontein: Refurbishment of pump station and construction	5	100%
Electricity		
Installation of 16 High Mast Lights	All 8 wards.	100%
Housing		
Bethulie 300 Korean Solar		36%
Bethulie 100 Mminathoko		80%
Edenburg 40 Mampotla		0%
Jagersfontein 42 Sediti		91%
Springfontein 121 Pampers		0%

# APPENDICES

---

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS:

The municipality does not have service backlogs on schools and clinics as it is a responsibility of a province.

## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION:

# APPENDICES

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT:

National and Provincial Outcomes for Local Government		
Out-come/Output	Progress to date	Number or Percent-age Achieved
Output: Improving access to basic services	13 746 households have access to water -99%	99%
	13 764 households have access to waterborne sanitation-99.9%	99.9%
	12 758 households have access to electricity-92.7%	92.7%
	13 761 households have access to refuse removal-100%	100%
T S		

VOLUME II: ANNUAL FINANCIAL STATEMENTS: FINANCE

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

OFFICE OF THE MUNICIPAL MANAGER  
Prepared by: Funeka Thena PMS OFFICE